













# INDIAN LABOUR PROBLEMS



# INDIAN LABOUR PROBLEMS



594

EDITED BY

A. N. AGARWALA  
University of Allahabad

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WITH A FOREWORD BY

The Hon'ble Mr. Jaggiwan Ram  
Labour Member, Government of India

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## FOREWORD

Labour problems require time, thought and study for their appreciation. Hasty conclusions and hurriedly considered schemes, however good the intention, are of little benefit to the workers. They provoke antagonism and create an unwillingness on the part of the employers to appreciate the workers' point of view. On the other hand, a carefully considered and objective presentation of labour problems helps in the formulation of constructive labour policies which can be carried out with the maximum of public support.

2. For a long time India has been groping in the dark in the formulation of labour policy, the factual data being inadequate for the proper appreciation of any major labour problem. Slowly—too slowly—this defect is being remedied. The *ad hoc* surveys of the Rege Committee have given information of labour conditions in a number of industries. On the theoretical side too, there is for guidance, to some extent, the International Labour Code consisting of a series of Conventions and Recommendations on a large variety of subjects which have been adopted by successive International Labour Conferences beginning from 1919. There are now better materials for

dealing with labour problems. It is also a happy sign that increasing interest is being shown in the study of labour problems by the scholars of our country as also by the public. If only for this reason, the appearance of this book is to be welcomed.

3. Labour problems are diverse, many requiring highly specialised study. In this publication we have a series of independent studies by experts in their own subjects. Such a symposium is of very great value to the student, the administrator and the public. With the increasing volume of industrial unrest since the termination of hostilities, none can afford to remain disinterested. Public opinion has an important part to play in bringing proper pressure to bear on the parties for the prompt settlement of a dispute, particularly a dispute seriously affecting the general welfare of the community. For such a role it is important that public opinion should be enlightened. The present publication will greatly serve this purpose though some of the articles seem to have become slightly out of date.

4. There are many questions dealt with in this publication which will shortly come before the Central Legislature for the enactment of legislation. For instance, the Health Insurance and Minimum Wages Bills which are already on the legislative anvil, may be regarded as epoch-making measures in the history of labour legislation in India. Not that either is final, but together they may be regarded as the beginning of a pincer movement in the struggle for

social security. Similarly, in the employment exchanges, I hope, India shall discover the seeds of a sound employment policy for India which will not only give the knock-out blow to the carder, maistri or contractor system of recruitment but also help to develop a sound system of unemployment insurance or relief and also evolve sound and rational national services. Finally, the new Factories Bill, which is also coming before the Legislature in the very near future, will bring our legislation in line with similar legislation in more advanced industrial countries.

5. In labour matters there is always room for honest differences of opinion. On many questions it may even appear that reconciliation of differences is impossible. But, unlike politics, an objective approach does help. To understand the other man's point of view is the first step towards an agreement with him. In the Indian Labour Conference, which is based on the tripartite principles so successful in the International Labour Office, there is the machinery for an objective approach to labour problems. Let full advantage of this machinery and of the growing interest in labour be taken by all concerned. Jointly, we can help to raise the standard of living of the Indian worker to a level that will not only justify our position in the International Labour Office as one of the eight States of chief industrial importance, but will give us the satisfaction that we have set ourselves in right earnest to our objective of minimising exploitation of one class by the other.



( viii )

The book will serve a very useful purpose and the Editor deserves to be congratulated upon his success.

*New Delhi.*

JAGJIVAN RAM

## EDITOR'S PREFACE

The object with which I set out to plan this Symposium was to bring together leading labour experts, economists, Government officials, industrialists, factory officers and others; make them write on important topics of their specialisation and interest; and present a volume which may bring into prominence our leading labour problems and suggest suitable lines of action for a post-war labour policy at expert level. The contributors have in general made a special study of the problem they have handled, not only in theoretical but also in practical aspects. Their observations and views are, therefore, of great value and deserve serious consideration.

Difficulties had naturally to be faced in making over twenty contributors work according to a set plan by mere correspondence in the midst of their other engagements. There were difficulties in making the contributors willing to write; selecting suitable and non-conflicting topics for their contributions; and most of all in actually securing the contributions from them. Several contributors could not, indeed, fulfil their commitments mostly on account of unexpected and unavoidable engagements, and the original plan that was drawn up had to be partly abandoned. The paper and printing difficulties were no less serious. All told, it has taken about two years for the publication of the Symposium.

Care has all along been taken to make all the contributions upto date: only when new developments took place after the article was printed, it was not possible to incorporate them suitably.

I am indebted to all the contributors who have so generously co-operated with me in spite of their heavy commitments: it is really impossible for me to thank them adequately. To the Hon'ble Mr. Jagjiwan Ram, Labour Member of India, who has associated himself with this group-study by writing a Foreword, I am specially grateful. I must also thank my younger brother, Mr. Shri Narayan Agarwala, Head of Economics Department, Vaish Degree College, Bhiwani, who has prepared the *Contributors' Who's Who*, and my friend, Mr. R. G. Sarien, M.A., Lecturer, Birla College, Pilani, who has kindly prepared the *Index*.

The University,  
Allahabad  
June 1, 1947

A N. AGARWALA

## CONTRIBUTORS' WHO'S WHO

DR. N. SUNDARA RAMA SASTRY, M.A., M.Sc., Ph.D. (London), F.S.S., till lately Labour Statistician to the Government of India and at present Director of Statistics, Reserve Bank of India, writes the first chapter entitled *Labour Statistics in India* with intimate knowledge and authority. He took his M.Sc. in statistics by thesis in 1934 from Madras University and lectured in statistics in the same University for four years. Was in London School of Economics for one year and worked on *The Development of Large Scale Industries in India and Localisation* (now in press) on which he was awarded Ph.D. (Econ.) by the University. Joined the Labour Department of the Government of India as Statistician in November, 1943, and acquired an intimate knowledge of labour conditions in factories, mines and plantations. Working as Head of the Division of Statistics of the Research and Statistics Department of the Reserve Bank of India from September, 1945. Author of *Indian Agricultural Statistics* (with Dr. P. J. Thomas) and *Commodity Prices in Southern India*, both published by the Madras University.

N. K. BHOJWANI, B.A. (Hons.), Bombay, B.Sc. (Hons. Econ.), London, who was associated with the Labour Investigation Committee as its statistician, contributes a critical and stimulating chapter on *The Wage Level in India* to this Symposium. Mr. Bhojwani was Professor of Economics and head of Economics Department, Khalsa College, Amritsar, 1936-38; Professor of Economics, Hindu College, Delhi, 1938-44; and Statistician, Labour Investigation Committee, 1944-45. He is now Principal and Professor of Economics, B. A. A. College of Commerce and Economics, Karachi. He is a member of the Sind Provincial Development Board. He has published a number of articles on labour and other subjects in the *Indian Journal of Economics*, *Journal of the Indian Institute of Bankers*, *Commerce*, etc.

M. V. SESHGIRI RAO, M.A., who was for some time assistant to Labour Statistician in the Government of India and who is now on the staff of the Labour Bureau of the Government of India, has written the third chapter of this volume on *Wage Differentials in India* which is

an excellent statistical work. Has had a brilliant academic career. Passed his B. A. Degree Examination of the Andhra University in 1942 with a First Class in Mathematics, winning the Eka Dandaiah Pantulu Prize. Took his M. A. Degree in Mathematics from the same University, standing First Class First and winning the Chevuri Sanyasiraju Medal. Was for some time Tutor in Mathematics in Andhra Christian College. Published *A Statistical Study of Labour in the Assam Tea Plantations* in the SANKHYA, Vol. 7, Part IV, 1946.

"POVERTY KNOCKER" disguises an eminent European industrialist with nearly forty years' experience of Indian labour conditions, especially in the cotton textile industry, whose views on labour command close attention and great respect.

K. NAGABHUSHANAM, M.A., is the Reader in Mathematics in the University College of Arts, Andhra University; and his co-author, Mr. V. Narasimhamurthy, M. A., is the Superintendent of Research, Statistics Division, Reserve Bank of India. Their contribution, *Sixteen Years of Indian Trade Unionism*, contains highly useful analysis and able interpretation of trade union statistics.

N. S. PARDASANI, M.A., belongs to the Bombay Educational Service and is Professor of Economics and History in the Elphinstone College, Bombay. Has been interested in labour conciliation and arbitration for some time past, on which he has contributed several articles to *Indian Journal of Economics*, *Eastern Economist*, etc. Passed his M.A. from the Bombay University in 1934, securing First Class First, and winning the K. T. Telang Gold Medal, Sir Lawrence Jenkins Scholarship and Prize. Has published a book, *How India is Governed* (New Book Co., Bombay), and contributed several articles to the *Indian Journal of Political Science*, *India Quarterly*, etc., besides those mentioned above.

DR. P. P. PILLAI, D.Sc. (Econ.), London, is the Indian authority on internationalism in the field of labour. Is the Representative of the I. L. O. in India and the Chairman of the I. L. O. Mission to Asia (1947). Was educated at the Universities of Madras, London and Geneva. The earlier part of his career was spent in the two international institutions of Geneva, first in the Economic and Financial Secretariat of the League of Nations, and then as a Senior Member of the

Diplomatic Division of the International Labour Office. His contribution on *India and the I. L. O.* is a very able and thorough discussion of what India has gained in the field of labour by its connexion with the I. L. O. Well-known as an economist and as a keen student of international affairs, he was the Vice-Chairman of the Council of the Indian Institute of International Affairs (the Indian Branch of "Chatham House") from 1942-1944. Has travelled extensively in Europe and America. Has attended fifteen major international conferences. Was a member of the Working Committee of the Inter-Asian Relations Conference, 1947. His publications include *Economic Conditions in India* (Routledge), *Banaili Lectures, 1929-30* (Patna University), *The International Labour Office and Asia* (I.L.O.) *India and the I. L. O.* (O. U. P.) His Symposium on *Labour in Asia* is to be shortly published.

DR. J. M. KUMARAPPA, M.A. (Harvard), S.T.B. (Boston), M.A., Ph.D. (Columbia), India's leading sociologist, is the Director and Professor of Social Economy in the Tata Institute of Social Sciences and the Editor of *The Indian Journal of Social Work*. He was born on April 16, 1886 and married Ratnam Appasamy, M.A. He was the first Indian to be invited to the U. S. A. as State Guest by the American Government on a Mission to establish better relations between the two countries and also to arrange for exchange of Professors, Students and Scholarships. He was educated at Doveton College, (Madras), Harvard, Boston and Columbia Universities. He is a specialist and expert on Philosophy, Sociology and Education. Appointed Professor of Philosophy, Lucknow Christian College, 1915; Reader in Philosophy, Lucknow University, 1921. Delegate to the General Conference of the M. E. Church, U. S. A., 1924; and to the 19th World Conference of the Y. M. C. A. Member of the Institute of International Politics, League of Nations, Geneva, 1926. Travelled extensively in Europe and America. Invited to lecture at Cornell, Syracuse, Columbia and other American Universities. Appointed Professor of Social Economy in the Tata Institute in 1936 and its Director in 1941. Has contributed a large number of thought-provoking and learned articles to leading journals. His contribution to this Symposium on *Village Labour Force in the City* is at once clear, stimulating and lucid, and is a pointer to the several pressing psychological and sociological labour problems that require early

solution. [Based on *Who's Who in India*, Times of India, Bombay, 1947.]

**MR. P. S. NARASIMHAN** is a Master of Arts of the Madras University. He was for many years a Lecturer in Economics in the Loyola College, Madras, and is now Secretary, International Labour Office. (Indian Branch), New Delhi. He is the author jointly with Dr. B. V. Narayanaswamy Naidu of Madras of a work entitled *The Economics of Indian Agriculture*. He is a keen student of labour problems in India and has made a through study of the labour legislation of the countries of South-East Asia.

**MRS. MITHAN JAMSHED LAM** (nee Mithan Ardeshir Tata), M.Sc. Econ. (London), Bar-at-Law, who has contributed a well thought-out chapter on *Maternity Benefit in India* to this Symposium, is a leader of the women movement in India and is at present a lecturer on social legislation in the Tata School of Social Sciences, Bombay. Passed B.A. (Hons.) from the Bombay University, winning Cobden Club Medal and is a Fellow of the Elphinstone College. Joined the London School of Economics for M.Sc. Econ. degree. First Indian woman Barrister-at-Law. Went to England with her mother on behalf of the women of Bombay for suffrage work in 1919 during the sittings of the South Borough Committee on Indian reforms. Practised for some time at the Bombay High Court. Was Professor at the Government Law College from 1930 to 1932. Has been a member for many years of the Bombay Presidency Council, the Bombay Women's Association, and the legal adviser to the All-India Women's Conference. Interested in social work, particularly relating to women and children.

**A. N. AGARWALA**, M.A., the Editor of this Symposium, belongs to the Faculty of Commerce, Allahabad University, and is the Managing Editor of *The Indian Journal of Economics*, organ of the Indian Economic Association. He is an expert on social security in this country and his books entitled *Social Insurance Planning in India*, *Health Insurance in India*, etc., are pioneer works on the subject. Published a contribution, "Problems of Social Security for Industrial Workers in India," in the *International Labour Review* (Montreal) in 1945, and another entitled "The Social Security Movement in India" in the *Economic Journal* (London) in 1946. Had a brilliant academic career, winning most of the

prizes and scholarships, including the Queen Empress Victoria Jubilee Medal (highest academic distinction, Allahabad University). Was awarded Muraraka Prize on Socialisin by All-India Hindi Sahitya Sammelan which recognized his Hindi Book *Samajvad ki Ruprekha* as the best book on the subject. Regular contributor to many learned journals in India and foreign countries. Was for sometime on deputation in the Labour Department of the Government of India. Secretary and Founder-Member, All-India Commerce Association. Founder and Research Secretary, Indian Research Association. Member, Academic Council and Court, Allahabad University; Member, Allahabad District Industrialization Committee. Edited two other Symposiums, viz., *Public Corporations* containing contributions from Indian and foreign experts, and *Position and Prospects of India's Foreign Trade* (with a foreword by the Hon'ble Commerce Member) containing contributions from Trade Commissioners of Indian and Foreign Governments. Author of several books on economic planning and socialism [Based on *Who's Who in India*, Times of India, Bombay, 1947.]

**S THOMAS EDWARD** is the Senior Labour and Welfare Officer at the Associated Cement Works, Bombay; and is Municipal Councillor, Sholapur Municipal Borough. Was Labour and Welfare Officer, Khatau Mills for 6 years, and Labour Welfare Officer, H. M. I. Dockyard, Bombay, for 1½ years; Hon. Secretary, Sholapur Games Association, 1934-35; and Hon. Secretary, Harijan Sevak Sangh, Sholapur, 1934. Has delivered many public lectures on economic and social subjects and contributed several articles to *The Indian Textile Journal*, *The Indian Journal of Social Work*, etc.

**M. C. PANT, M.A., LL.B.**, is the Labour Officer of the U. P. Government since 1942, and Development Officer of Kumaun Division, and Secretary of the Kumaun Development Board since 1946. He is also the Editor of the *Labour Bulletin* published by the U. P. Government. Was Labour Inspector and Welfare Superintendent U. P., 1931-40; and Divisional Superintendent of Industries, Kumaun Division, 1940-1942. Was Officer on Special Duty, Government of India, for the Cost of Living Enquiry at Cawnpore; and undertook wage census on behalf of the Labour Investigation Committee. Has conducted a large number of economic and labour enquiries and has intimate knowledge of the technique



of labour investigation, on which subject he has made a valuable contribution to this Symposium.

**E. J. S. RAM, B.A., Dip. P.E., Dip. S.S.A.,** is Labour Welfare Officer to the Government of Bombay. Had a distinguished career in studies and sports in Agra University, Y. M. C. A. College of Physical Education and Tata Institute of Social Sciences ; and won the Agra University Athletic Championship in 1931. He is responsible for the execution of the Congress Ministry's Scheme for providing suitable social amenities to the industrial workers and their dependents in the province of Bombay. Was recently sent on deputation to the Ministry of Labour and National Service in the United Kingdom for specialization in Labour Welfare Work in connection with the Government of Bombay's schemes for Labour Welfare during the post-war period. Has also received training in Industrial Relations, Wages Inspection, Labour Supply, Personal Management, Military Demobilization, Resettlement and Rehabilitation. Has published a pamphlet on *Industrial Welfare in a War Economy*.

**N. SWARUP, M.A., LL.B.,** is the Manager, Sub-Regional Employment Exchange at Agra, and has contributed a very informative chapter on *Employment Exchanges in India* to this Symposium. After practising for some time at the Lucknow Bar, he joined the South Bihar Sugar Mills at Bihta (Bihar) as Secretary and Factory Manager ; and later, the Cawnpore Cotton Mills (B. I. C.), Cawnpore, as Labour Officer. Received training as Labour Officer under the Bombay Mill-owners' Association. Was Secretary, National Service Labour Tribunal, U. P., Cawnpore, in 1945 and also Manager of Employment Exchange. Was trained at the Staff Training Centre, Delhi, from July to October, 1945, and since then he has been occupying the present position.

**JAMSHED R. BATLIBOI, F. I. A. A. (London), G. D. A., R. A.,** the Founder and for several years the Principal of Batliboi's Accountancy Training Institute of Bombay, the founder and senior partner of Batliboi and Purohit of Bombay, has been making a close and fruitful study of factory efficiency for the last several years. His book *Works, Organization, Management and Cost Control* has already become famous ; and the chapter that he has contributed to this Symposium is very illuminating and informative. His several books on

accountancy and auditing have served for the last several years as leading works on the subject.

**L. N. BIBLA**, the 38-year old industrialist, banker and merchant, son of Syt. Ghanshyam Das Birla, belongs to the famous firm of Birla Brothers, Ltd., Began his career in 1929 as jute and gunny broker. Is now the Director-in-charge of several cotton mills, jute mills, etc. Is managing insurance companies, collieries, cycle factory, and bakelite factory on behalf of Birla Brothers. Is Director, Hindustan Mercantile Bank, Ltd. ; Member of Utilisation Branch of the Geological Survey of India; Member of War Risks Insurance Advisory Committee. Was Member of the Committee of Indian Chamber of Commerce, 1938-42 ; and Employers' Delegate to 27th International Labour Conference.

**J. DALMIA** belongs to the famous Dalmia-Jain Industrial Group and is keenly interested in labour, maternity welfare and mass literacy. Travelled extensively in India and Europe ; visited workshops of all important machine manufacturers in Great Britain and on the Continent. Made elaborate study of different processes of manufacture of cement in Denmark and Germany. Managing Director of several companies of the Dalmia-Jain Group ; and supervises and controls the technical sections of sugar, paper, cement and chemical factories of the group. Chairman, Bharat Insurance Co., Ltd., Lahore, [Based on *Who's Who in India*, Times of India, Bombay, 1947.]

**DAVID ABRAHAM** is with the Lakshmi Cotton Mills, Sholapur, where he is helping in the establishment of a new Bleach House. He began his career, after his College education, as dyeing apprentice in the Swan Mills of Bombay and soon became Bleaching Master in Finlay's Bleach House. He then joined the Seksaria Cotton Mills and started a Bleach House there. Is a keen student of labour problems, management psychology and textile technology ; and often writes on these subjects for the *Indian Textile Journal*, *Fabric*, etc. Takes active part in humanitarian and social work and is Vice-President of the Sholapur Rotary Club as also Hon. Secretary of the Sholapur District Boy Scouts Association.

**DR. K. R. MASANI**, L.R.C.P. (London), M.R.C.S. (Eng.), D.P.M., worked as a home surgeon for some years at Northumberland House, a good private Home famous for

mentally deranged people, He is Hon. Psychiatrist, J. J. Group of Hospitals; Hon. Lecturer in Psychiatry, Grant Medical College; Hon. Physician, N. M. Mental Hospital; Psychiatrist in charge of the Child Guidance Clinic of the Tata School of Social Sciences; Lectures on Psychiatry for social workers, mental hygiene, roots of personality and mental health in childhood in Tata School of Social Sciences; Director, The Indian Institute of Mental Hygiene and Psychiatry; Consulting Psychiatrist, Juvenile Branch, Government of Bombay. Formerly Psychiatrist, Children's Aid Society of Bombay. Often writes for the *Indian Journal of Sociology* and other learned journals.

**PARAS RAM, M. A.**, of Forman Christian College, Lahore, was born in 1905 at Fateh Garh Panjtur—a place notorious for its house-breakers and cattle-lifters. Very early in life he acquired a taste for onions, carrots, spinach and other leafy vegetables which he has advocated with zeal as the necessary ingredients of a balanced diet. His otherwise smooth educational career was interrupted by the political movement of 1921 but he managed to pass his B. A. in 1927. Wanderlust more than any other temptation, induced him to accept the job of a social welfare worker to do 'uplift' work amongst the so-called 'untouchables' of Malabar. Very soon he was convinced that the patronising attitude of the privileged classes towards the under-privileged groups in this country was a hindrance to the wholesome growth of the latter. The 'uplift' work stimulated the author's interest in social science and he turned to Psychology which he has since been pursuing with ability. He passed his M. A. in Psychology from the University College of Science, Calcutta, in 1930 and completed his training in Psychoanalysis in 1931 in the Training Institute run by the Indian Psycho-analytical Society at Calcutta. He joined the staff of the Forman Christian College, Lahore, as a lecturer in Psychology in the same year; was co-director of the Institute of Experimental Education (1931-33); editor, *Education Information* (1931-36); collaborating editor, *Indian Journal of Psychology* (1941-44), *Education Abstracts* (1939); the Recorder, Psychology Section, Indian Science Congress Association (1945-46); Convener Sub-Committee of the Indian Science Congress on Psychology and its Social Relations (1946-48); and a Delegate to the World New Education Fellowship Conference at Nice (France) in 1932. He was also on

the Committee of the Indian Science Congress Association to report on the work of the army psychologists in the Directorate of Personnel Selection. He had opportunities of field work of a sociological character in the C. P. in 1939 when he was asked by the Friends Mission to organise the Basic Education Schools in Hindu and Gond villages near Itarsi. He spent two summer vacations doing a similar work in industrial concerns. His published work consists of about fifty papers mostly based on his clinical experience in tackling neuroses field work in sociology and results of experiments in education. These are published in the *Indian Journal of Psychology*, *Panjan Education Journal*, *Indian Journal of Education*, *Education Information* and a number of Journals in Urdu and Hindi.

K C. RAMAKRISHNAN, M.A., Dip. Econ., is Officer on Special Duty in the Labour Department of the Government of India for enquiring into conditions of agricultural labour. He was a student, Research Scholar, Lecturer, and then Reader in Economics in the Madras University. Served on the staff of the Royal Commission on Agriculture; and attended the International Co-operative Congress at Paris (1937) on behalf of the All-India Co-operative Institutes' Association. Member, International Institute of Co-operative Studies. Written several articles in the *Indian Co-operative Review* and other Journals, Joint Editor (with Dr. P. J. Thomas) of *Some South-Indian Villages—A Re-Survey* (1940). His contribution on *Problems of Rural Labour* to this Symposium is as illuminating as it is interesting.



# CONTENTS

	Page
FOREWORD by the Hon'ble Jagjiwan Ram, Labour Member, Government of India, New Delhi	v
PREFACE by the Editor	ix
CONTRIBUTORS' WHO'S WHO	xi
CHAPTER	
I.—Labour Statistics in India by N. S. Sastry	1
II.—The Wage Level in India by N. K. Bhojwani	26
III.—Wage Differentials in India: A Sta- tistical Analysis by M. V. Sessa- giri Rao	48
IV.—The Regulation of the Industrial Wage in India by "Poverty Knocker"	57
V.—Sixteen Years of Indian Trade Unionism by K. Nagabhusha- nam and V. Narasimhamurthy	70
VI.—Labour Conciliation and Arbitra- tion in India by N. S. Parla- sani	80
VII.—India and the I. L. O. by P. P. Pillai	99
VIII.—Village Labour Force in the City by J. M. Kumarappa	127
IX.—Child Labour in India by P. S. Na- rasimhan	139

	Page.
X.—Maternity Benefit in India by Mithan Jamshed Lam ...	176
XI.—Workmen's Compensation in India by A. N. Agarwala (Editor) ...	189
XII.—Labour Legislation in Post-war India by S. Thomas Edward ...	206
XIII.—Social Insurance in India by A. N. Agarwala (Editor) ...	224
XIV.—Technique of Labour Investigation by M. C. Pant ...	243
XV.—Industrial Welfare in Post-war India by E. J. S. Ram ...	266
XVI.—Employment Exchanges in India by N. Swarup ...	282
XVII.—Labour Discipline in Indian Factories by Jamshed R. Batliboi ...	307
XVIII.—Technical Training in India by L. N. Birla ...	323
XIX.—Problem of Hours of Work in Indian Factories by J. Dalmia ...	333
XX.—Efficiency and Labour in India by David Abraham ...	341
XXI.—Mental Hygiene in Business and Industry by K. R. Masani ...	353
XXII.—Some Problems of Morale of Mill Labourers by Paras Ram ...	361
XXIII.—Problems of Rural Labour with Spe- cial Reference to Madras by K. C Ramkrishnan ...	382
INDEX ...	402

## CHAPTER I

# LABOUR STATISTICS IN INDIA

By N. S. R. Sastry

### I. INTRODUCTION

Correct and complete statistics regarding not only employment and conditions of work, but also the living conditions of labour population, are essential to both the framing and administration of progressive social policy. Thanks to the efforts of the social workers and dissemination of knowledge by the International Labour Office, the world has advanced far from the times when the collection of such statistics was supposed to be a luxury in which only rich countries could indulge. Further, the administrators of different progressive countries have come to realise that these matters are not the concern of the two parties (employers and employees) only, but that the State has got a vital interest from the point of view of general welfare, and it has to lay down the general policy in these matters. As the Royal Commission on Labour pointed out, "It is on facts that policy must be built, and so long as there is uncertainty as to the facts there must be confusion and conflict regarding the aim." To serve this purpose fully, statistics of employment and attendance, unemployment, wages and hours of work, earnings and family expenditure, standard and cost of living, housing conditions, industrial accidents and other aspects of industrial life and labour must be correct and complete; and these must be comparable both within the different regions of a country as well as between the different industries in it. To ensure this there must be uniformity in the definition of the different terms and also the methods of collection of the required data. For international comparisons



the different terms in use must be standardised. This ideal is very difficult to reach, but the International Labour Office has been attempting to quicken the progress towards this goal by pooling the experience of several countries, and by formulating international standards based on the lessons of past experience.

Labour statistics in India, like those in other branches including agriculture, industry, trade, etc., have come mainly as a by-product of administration and not with a specific purpose of formulating a policy. Consequently, information is not available on many desirable aspects, and even the accuracy of the available information, from a statistical point, cannot be vouchsafed. It is only recently that the necessity for collecting data for the specific purpose mentioned above has been seriously felt. In more advanced industrial countries, labour organisations were instrumental in collecting a good deal of useful data. Due to illiteracy and several other factors which contributed to the lack of such organisations in this country, the bulk of the information available here is from the official sources. Even here, in such a vast country like India, with administrative units of different degrees of advancement in these matters, there is lack of uniformity in the intensity and extent of the data collected.

The Factories Act of 1891 laid the foundation for labour statistics in British India, as it required the furnishing of the details of the number of factories and workers, of accidents, shifts, holidays, etc., by the factories. The subsequent amendments to the Act, especially those of 1911, 1922 and 1934, increased the scope of these statistics to a great extent. Other labour statistics in British India are collected under the Payment of Wages Act of 1936, the Workmen's Compensation Act of 1923, the Indian Trade Unions Act of 1926, the Indian Mines Act, 1923, and the Assam Tea Districts Emigrant Labour Act of 1932.

Details of the statistics collected under these Acts are given in another section. Apart from these, statistics of industrial disputes are also collected regularly and published since 1921, though not under statutory authority. The biennial publication "Large Industrial Establishments in India" is a good directory of all factories which come under the operation of the Factories Act in the Provinces and also those establishments in Indian States which are considered to be of sufficient industrial importance, so far as it has been possible to procure information. The average daily number of workers in each factory included in it is given in this publication. Details are shown separately for seasonal and perennial factories. Industries are classified according to the articles manufactured. Information for this publication is received by the Office of the Director of Commercial Intelligence and Statistics in accordance with a circular of the Labour Department and the forms prescribed therein are used for this purpose.

Cost of living index numbers of working class families are published for some important industrial centres every month. Weights for these index numbers are based on enquiries into the family budgets, and the retail prices in the concerned markets are collected regularly. In 1942 the Government of India appointed a special officer for the Cost of Living Index Scheme, which is under way now. An attempt was made by the Government of India to institute a wage census in 1921, but it had to be abandoned on grounds of retrenchment. Bombay Government conducted several enquiries into wages and hours of work in cotton textile industry in that province since 1921, and an elaborate wage census in all the main industries in 1934. Investigations were also made by committees specially appointed to enquire into the labour disputes in U. P., Bihar, C. P. and Madras with regard to wages and conditions of work, etc. But there is no continuous data on these matters

for any length of time. Monthly figures of absenteeism in the textile industry of Bombay, Ahmedabad and Sholapur and of engineering industry in Bombay are collected and published in the *Bombay Labour Gazette*. Figures of absenteeism in the cotton, jute, woollen and leather industries of Cawnpore are collected "through the courtesy of the Employers' Association of Northern India" and the monthly averages are published in the *Labour Bulletin* of the United Provinces. The Royal Commission on Labour collected much useful data during their enquiries and at present the Labour Investigation Committee is collecting data from 36 major and minor industries and the reports are expected to be ready shortly.

In addition to the above information, the economics departments of some universities and research institutions like the Sir Dorabjee Tata Graduate School of Social Work in Bombay, the Punjab Board of Economic Enquiry, the Indian Statistical Society, etc., have carried out special investigations into labour matters. This completes the list of labour statistical data available in the country. It will be noticed that serial statistics available are (1) those under the different Acts of Government, (2) those regarding industrial disputes, and (3) cost of living index numbers for certain important centres. But little serial information is available regarding wage rates, hours of work and earnings, etc., of the workers except in the books of the employers or some millowners' associations. This big gap can be filled up by the judicious use of the Industrial Statistics Act, 1942. In these matters it is necessary to proceed cautiously because of the reluctance of the employers to supply these details in the first place and also the ignorance and illiteracy of the vast majority of workers.

## II. STATUTORY PUBLICATIONS REGARDING LABOUR STATISTICS

**Statistics of Factories :—**Each province publishes an annual report on the working of the Factories Act,

1934. This is accompanied by a series of tables giving the following details :—

- (1) Enumeration of the number of factories in each district ;
- (2) The average daily number of workers employed by them ;
- (3) Classification of workers into adult males and females, adolescents, boys and girls ;
- (4) Normal hours of work per week, intervals and holidays ;
- (5) Accidents.

Two more tables give information about exemptions from the different sections of the Act and the number of inspections made by the inspectorate. All this information is obtained from the factories in printed forms, prescribed by the Rules under the Act. Some provinces obtain additional information regarding the causes of accidents, wage rates, etc. Till 1931, statistics of perennial as well as seasonal factories were combined. This practice was criticised by the Royal Commission on Labour. "As conditions are very different in these two classes and their combination in one set of statistics gives a misleading impression of factory activities and the regulation of factory work, we recommend that all the statistical tables at present prepared be compiled and published separately in respect of perennial and seasonal factories". As a result of this recommendation these data are now published separately for these two classes of factories.

When comparing these statistics over a series of years the changes made in the definition of "Factory" must be borne in mind. Till 1892, the Factories Act applied only to undertakings employing at least 100 persons, and this limit was, from that year, reduced to 50 persons.\* At the same time power was given to

Local Government to notify even factories employing 20 to 50 persons as factories coming under the Act. By the Act of 1911, which came into force from 1913, these two lower limits were reduced to 20 and 10 respectively, and the application of the Act was confined to factories using power in manufacturing process. In the Factories Act of 1934, power was given to Local Governments to extend the Act to places where manufacturing process is carried on with or without the aid of power. Finally the Factories (Amendment) Act of 1936 gave to Local Governments wider powers to bring workshops also, not using power, under the operation of the Act. The powers given to local governments to notify certain establishments as factories even though they employ less than 20 persons and do not use power of any sort, were used by different Provincial Governments in varying degrees.

Some of the important states also have enacted Factory Acts on the same lines as British India and obtain similar annual returns. But the information is not compiled and published. To have a complete picture of the industrial employment in the whole of India, it would be useful to obtain the co-operation of the States also and compile all-India statistics on a uniform basis. It may be noted in this connection that some of the industrially important states supply information to the volume entitled "Large Industrial Establishments" on a voluntary basis.

*Payment of Wages Act* :—This Act applies to the payment of wages to persons employed in any factory as defined in section 2 (j) of the Factories Act, 1934, and to persons employed, otherwise than in a factory, upon any railway administration or, either directly or through a sub-contractor, by a person fulfilling a contract with a railway administration. Nothing in this Act applies to wages payable in respect of a wage-period which, over such wage-period, average to two hundred rupees a month or more. Workers

coming under this Act differ from those coming under the Factories Act, 1934, in two material respects, namely, workers in notified factories are excluded, as also those getting a salary of over Rs. 200 per month. On the other hand, persons employed solely in a clerical capacity are excluded from the Factories Act, 1934, whereas such of those persons whose monthly income is less than Rs. 200 come under this Act. While persons working in railway workshops alone come under the Factories Act, 1934, all workers on railways getting a salary of less than Rs. 200 per month come under this Act. The question of persons working through a contractor in a factory, is not made quite clear in this Act, and usually they are not included in the returns submitted under this Act.

Return 7 under the Act gives information regarding the average number of persons employed daily, the total wages paid including deductions under clauses (d) to (j) of sub-section (2) of section 7 of the Payment of Wages Act, 1936, and the deduction on account of (i) fines, (ii) breach of contract and (iii) damage or loss, and the total of these 3 items. These details are available for seasonal and non-seasonal factories separately. The classification of factories into Government and others and also the main groups of industries follow the same lines as of the Factories Act, 1934.

The total wages paid is the aggregate of the wages to different grades of workers and includes overtime allowance, etc. Further the total for each group includes factories which worked for different numbers of days per year. Hence this return will be useful only to compare the proportion of deduction to the total wages in the different groups of industries, and also the total wage bill for all these factories. But for comparing the average wage rates of the same industry in different provinces for the same industrial group, or the average wage rates of the same industry in different years, these data are not useful. Information regarding occupational wage rates and the year to

year changes in these rates, and the number of people affected by them is very important. Also information regarding any allowances and bonuses, money value of benefits like supply of provisions at cheap rates, housing accommodation by certain factories, etc., is also important when considering the question of wages rates.

*Workmen's Compensation Act, 1923*:—Every Commissioner under the Workmen's Compensation Act records particulars of the nature of the injury, namely, (A) Fatal, (B) Disablement : (1) permanent total, (2) permanent partial and (3) temporary, in every case that comes before him as the amount of compensation paid depends upon it. The amounts of compensation awarded are also recorded in every case. Usually when there is a dispute between the parties regarding the nature of disablement, a certificate from an impartial doctor, unconnected with both parties, alone gives correct information. But full use is not made even of the available data in the compilation of statistics of accidents. In the annual report on the working of the Workmen's Compensation Act, 1923, compiled from provincial reports and published by the Government of India in Statement I only the number of cases of death, permanent disablement and the total amount of compensation paid in each case are given separately for adults and minors. This information is supplied by factories under Section 16 of the Act. There is no classification of the injuries according to part of the body affected, nor is there any classification according to the cause of the accident. It should be noted that in the statistics of accidents published with the report of the Workmen's Compensation Act, both the number of accidents and the amount of compensation refer only to cases which have been disposed of during the year, but not to the actual number of accidents in any year. Further this Act covers wider sections of labour than the Factories Act, 1934, and the Payment of Wages Act, 1936, in that it applies

to workers whose monthly wages do not exceed three hundred rupees. Due to the illiteracy, ignorance and fear of loss of employment, a good number of cases may go unreported. But of late it appears that as a large number of factories and industrial establishments are covered by insurance against such accidents, the statistics of accidents in the factories are fairly accurate and they form the bulk of the accidents reported.

*Indian Trade Unions Act, 1926* :—The annual return prescribed under the Act requires the submission of the number of members at the beginning of the year; number admitted during the year; number who left during the year; and the total number at the end of the year. The total number at the end of the year is classified according to sex. A statement of the income and expenditure, as also of assets and liabilities, is also required to be furnished. The figures of membership for the whole of British India are classified according to the provinces and also the industry or trade, etc., to which the unions belong. The trade union membership covers much wider classes of labour than are included under the other labour Acts; but the proportion of the number of trade union members to the total number of workers is very small in several industries. Even among the “registered” trade unions, a large number fails to send reports regularly.

*Indian Mines Act, 1923* :—Annual returns, as required by this Act, are submitted by the managers of the mines coming under the Act to the Chief Inspector of Mines in three sets of forms, one relating to mica mines, the second to coal mines and the third to mines other than coal or mica mines. Under Notification No. M.1265 dated 25.4.1933, an estimate of the extent of absenteeism in coal mines on a day on which the number of persons attending work was highest during such week in February of that year as is selected in advance by the Chief Inspector of



Mines for this purpose, is made. The week is usually the peak period for general attendance. Statistics of mines in Indian States, important for minerals, as also for the mines outside the scope of the Act, are received directly by the office of the Director of Geological Survey of India through the Political Department, and district officers respectively. During the war, a statement showing production etc. of manganese ore and chromite for each quarter of the year was obtained by the office of the Director of Geological Survey of India. These returns sum up all the available information regarding statistics of mines in India.

The main statistical data relating to labour in mines, that are collected and published, are the average attendance of the workers and the average hours worked per week, during each year classified into (a) underground, (b) open workings and (c) surface, each being subdivided according to sex and occupations for males. The average daily earnings in December, which is supposed to be a normal month, are also given. Two other statements give the total number of accidents in the year classified into fatal and serious and incidence of epidemic diseases. Other important statistical data available are the quantity and pit-head value of minerals raised, quantity and number of detonators used for explosives, number of safety lamps, mechanical ventilators, coal-cutting machines, etc., in the mines.

*Assam Tea Districts Emigrant Labour Act, 1932* : — The only statistical data, available on an all-India basis, relating to the labour employed on plantations is the daily average number of persons employed in each of the tea, coffee and rubber plantations in the different districts of the provinces important for them and this is classified under three sub-heads : garden labour (permanent), outside labour (permanent) and outside labour (temporary), and published in the three annual volumes—*Indian Tea Statistics*,

Indian Coffee Statistics and Indian Rubber Statistics. More detailed information is available for the labour employed in the Assam tea plantations which is collected from returns prescribed under the Tea Districts Emigrant Labour Act of 1932. In the annual report on the working of the Act, the Controller of Emigrant Labour furnishes 14 statistical statements. The first four statements deal with the recruitment and the forwarding of the emigrants from different provinces to Assam. Statements V to IX are important from the labour point of view ; and the subsequent statements are purely of administrative interest. A brief review of the data contained in statements V to IX is given below.

**Statement V.** This statement provides information for each district of Assam (1) relating to the number of adults and children separately at the beginning of the year ; (2) addition made during the year (a) by immigration and (b) locally ; (3) loss by transfer, discharge or departure ; and (4) the number remaining at the end of the year. The last three columns give the average annual strength and birth and death rates per mille respectively.

**Statement VI.** This statement gives the total deaths in the year, among adults and children in Assam tea plantations, due to ten different causes and one miscellaneous group. Cholera Small-pox, Diarrhoea, Dysentery, Malaria, Beri-beri, Anaemia, Respiratory Diseases, Influenza and Kalaazar).

**Statements VII and VIII.** These two statements give the average earnings of settled labour and *basti* labour respectively, on the tea estates in Assam, for the months of March and September. For each district, the total labour population is classified into three groups : (1) men, (2) women and (3) children ; and for each of the groups information relating to (a) total number on the books, (b) average daily working strength, (c) total cash earnings excluding diet rations and subsistence allowance, (d) average monthly cash

earnings per worker on books, (e) average monthly wages, and (f) the average daily cash earnings per day or part of day worked is given. The figures given in each of these tables are the corresponding averages for the two months mentioned above.

**Statement IX.** This statement gives the amount of land held by labourers still on the books of the tea estates in Assam. For each district, the total area and revenue on it are classified according to the different systems of tenancy : (1) as settlement holders under Government, (2) as tenants of the tea estates, and (3) as tenants of the other landholders. But the total number of labourers enjoying these concessions are not given.

*Deficiencies of Existing Statutory Labour Statistics :—*It will be noticed from the above detailed description of the existing labour statistics that in the case of the figures of employment only we have reasonably accurate details for the classes of labour coming under the Factories Act, 1934. Even for this class of labour we have absolutely no information regarding rates of wages for different occupations and other working conditions ; and the collection of statistics relating to conditions of living of the workers and of unemployment has not so far been attempted. The Factories Act, 1934, does not cover the large class of labourers employed in building and other constructions, means of transport, shops and other distributive services, etc. It is a well-known fact that these three industries are good indicators of trade fluctuations and are very important in the secondary stage of industrialisation of a country. Hence it is time that an attempt is made to fill this gap in the labour statistics of this country.

It is neither necessary nor possible to have serial statistics of the conditions of work in the factories, or the conditions of living of labourers. But *ad hoc* enquiries should be carried on periodically once in 5 to 10 years, to investigate these conditions also.

Again, even excluding the large number of labourers employed in agriculture, the proportion of factory labour to the total labour population will be found to be very small in this country. Several enquiries have been carried out by different Provincial Governments regarding the unorganised and cottage industries. But they have not been done on a uniform basis. Attempts have been made during the decennial censuses of 1911 and 1921 to take industrial censuses also. But in the two subsequent censuses this was given up, and the hope of the Census Commissioner of 1931 that an industrial census would be carried out independently, did not materialise. It would be useful to carry out such enquiries periodically into the condition of labourers working in such unorganised industries.

A great drawback in the existing procedure for publication of statistics is the time-lag usually involved. The statistics received from factories are compiled in the office of the Chief Inspector of Factories (or Labour Commissioner) and are then forwarded to the Provincial Government who pass them on to the Central Government. This procedure invariably involves delay in such a big country.

### III. NON-STATUTORY STATISTICS

*Industrial Disputes* :—Statistics of industrial disputes are being collected since 1921. Reports were being obtained annually till 1939, but in that year the Labour Department of the Government of India required weekly reports in prescribed form, to which was subsequently added a quarterly report in prescribed form. The information is obtained by the district authorities, through the agency of the police, and transmitted to the provincial authorities who, in their turn, pass on the information to the Government of India. In Bombay, Madras, Calcutta and other important provincial headquarters, information regarding these disputes is obtained directly by the Provincial Labour Departments also. Inspectors o

the Labour Offices collect the information personally and this is easier when the parties approach the Department for mediation.

The information obtained relates to (1) the number of disputes, (2) the number of men involved, and (3) the number of days lost. The number of disputes is classified according to the industries, as well as the provinces in which they occurred. The causes of the disputes are classified under five heads, namely (1) pay, (2) bonus, (3) personnel, (4) leave and (5) others. The results of the disputes are classified into (1) successful, (2) partially successful, (3) unsuccessful, the remaining being shown as still 'in progress'. The data collected at present is unsatisfactory in several respects. No distinction is made between strikes and lockouts. The methods of calculating the number of workers involved and the number of days lost are not precisely understood in many cases. Further, information is based on the reports of police constables who in their turn depend upon the factory authorities for this information, which, for this reason, may not be quite accurate. But where Labour Officers are specially appointed for conciliation and they are entrusted with the work of the collection of these data, more reliable information is available.

After the outbreak of World War II the Central Government promulgated the National Service (Technical Personnel) Ordinance, 1940, with a view to meet the need for trained technical personnel in factories engaged on war production and for the defence service. Technical Training Centres were also opened with the same object. In connection with these measures the following new statistics began to be collected :—

(1) Monthly progress reports from technical training centres and the statistics relating to the progress of the scheme with reference to the training and posting of trainees classified under 35 trade groups.

(2) Annual statistics relating to the working of the National Service (Technical Personnel) Ordinance, 1940.

(3) Statistics of technical personnel employed in the major industrial undertakings and forecast of variations during the subsequent half-year received from National Service Labour Tribunals every half-year.

(4) Monthly Statistics relating to the working of the Employment Exchanges with reference to registration and placing of workers.

(5) Finally, returns from provincial and state Governments, giving estimates of numbers of technical personnel likely to be absorbed by various post-war development schemes.

#### IV. OTHER STATISTICS OF LABOUR

There is a great need to extend the scope of statistics of labour with regard to two aspects, namely (A) migration, labour turnover and absenteeism ; (B) wages, hours of work and earnings. The items mentioned in each group are inter-related.

(A) (1) *Migration* :—In the earlier stages of industrialisation, labour was recruited mostly from the rural areas, where the pressure of population on land was very high. Though a good number of these workers belonged to the same or neighbouring districts, in some cases labourers used to come from other districts and even other provinces. The important centres which still attract labourers from long distances are (1) Jamshedpur, (2) Bombay City and (3) Hoogly jute mills area, apart from the plantations in Assam. A large percentage of these workers usually maintain their connection with the villages for going back after accumulating some money or when agricultural conditions become favourable and require their presence. In recent years "Chawls" and "Bustees" have been growing up in the important industrial cities, and the present generation of

workers, at least in older industrial cities, is more urban-minded. But reliable data about the extent of these changes is not available, although such data is very useful when considering problems of labour turnover, absenteeism, housing accommodation, efficiency of work, etc. Further, with the rapid growth in unemployment during the thirties inter-provincial migration gave rise to provincial feelings leading to friction between groups of workers. We need not collect serial statistics about migration, but investigations carried out at regular intervals of time would be very useful. The Labour Investigation Committee has paid attention to this problem.

(2) *Labour Turnover* :—Labour turnover during a period of time, say a year, may be defined as the proportion of the total number of workers who left service during the period due to retirement, dismissal, or voluntary withdrawal to the normal working strength of the factory. In considering the question of labour turnover in this country, the question of "badli labour" introduces complication. If it is excluded, figures of labour turnover will be low ; if included, they will be high ; the figure of actual turnover lies between the two limits obtained. We require correct information regarding the employment and retirement of (1) the number of permanent employees and (2) casual workers in each factory. There are bound to be seasonal fluctuations in this turnover, and hence we require monthly figures. Though for convenience, all these figures may be compiled quarterly or even annually, the data must be available on a monthly basis. As has already been pointed out, the problems of migration and absenteeism are very closely related with this problem of turnover as the high figure of this turnover in this country is mainly attributed to these two factors.

(3) *Absenteeism* :—Figures of absenteeism are being collected and published for some time in their respective *Labour Gazette* and *Labour Bulletin* in

Bombay and the U. P. They do not cover all industries, neither all centres of the industries selected. Recently the Government of India recommended a uniform definition and method for collecting this data to such factories as are prepared to supply the information voluntarily. Any enquiry into this problem requires the maintenance of regular service cards for the workers in each factory. Hence it will not be possible to have a complete census of absenteeism in all factories. Such census can at best be taken for a particular week or month and to study the seasonal variation, regional variation and industrial variation of absenteeism, we have to rely only upon sampling method.

(B) *Wages and Earnings* :—There are two distinct types of wage rates, namely, time rates and piece rates. Time rates refer to wages paid for a given period of time (e. g., day, shift, week or month) and piece rates for a given task or amount of output. For comparisons over a period of time, the normal hours of work per day or week should be given along with time rates and wages, as any considerable changes in the former vitiate comparisons. Earnings may be defined as the amounts received in a period of time as distinct from the rates at which work is undertaken. Average earnings per worker in an industry or region are affected not only by the rates of wages, hours of work and by the state of employment, but also by changes in the proportion of male and female adults and children, and of skilled and unskilled workers. Further if part or the entire wage is paid in kind, and if in some cases commodities are supplied at cheap rates and if free or cheap housing accommodation is provided by some employers, difficulties arise in comparing wages in such industries or regions with those in which these conditions do not prevail. These several limitations have to be borne in mind in collecting wage statistics and making use of the data for the construction of index numbers of wages.



In the case of organised industries, a detailed schedule of important occupations in each industry should be drawn up in the first instance. The customary wages paid in each industry in each region of a district should be examined at regular intervals, say, yearly, and a record of changes in those rates and the number of workers affected by them during the intervals should be kept. The preliminary requisite for this purpose is a wage census which should be repeated at intervals of 5 to 10 years. The information of wage rates taken during the census should be given by industry, region, occupation, and sex for both adults and children. In our country so far Bombay Province alone conducted a thorough wage census in 1934.35 for all the major industries ; and Punjab did it for some industries in 1939.40. The Labour Investigation Committee made sample surveys regarding wage rates in important industries e.g. textiles, engineering, minerals and metals and coal mining, and *ad hoc* surveys in several other industries, and they will form the foundation of any future wage statistics. For unorganised industries and for industries and occupations in which piece rates prevail it would be preferable to collect statistics of earnings rather than rates of wages, to show wage conditions. This data of earnings can be obtained only from employers' pay books, and this information has to be supplemented with the data of hours of work.

**Vital Statistics :** - We can bring together under this group statistics of (1) sickness, (2) occupational diseases. (1) Statistics of the incidence of sickness among industrial workers are rare in this country. Even the data of sickness from the factories which maintain their own medical staff and dispensary are incomplete, because a large number of workers do not take advantage of the facilities. Reliable data on this subject are essential for any scheme of sickness insurance. The Government of

India appointed Mr. B. P. Adarkar an Officer on Special Duty, Sickness Insurance Scheme, and they are taking action on his report. When that scheme is put into operation detailed information on this subject will be available.

*Occupational Diseases* :—Under the Workmen's Compensation Act, 1923, if a workman employed in any employment contracts any disease (specified therein as an occupational disease) peculiar to that employment, he is eligible for compensation under the Act. But in the reports under the Act, very few cases of compensation for such diseases are reported. From this it cannot be inferred that there are no occupational diseases at all. The workers are usually ignorant of the diseases and also of the benefits under the Act. Further, it would be difficult to go to court against employers and obtain compensation. Hence data of occupational diseases will not be available unless notification of such diseases by factory managers is made compulsory and there is a compulsory medical inspection of workers once in a year or half year. To obtain true information, the inspection should be made by an independent doctor. Failing both, information regarding industrial diseases can be obtained only by *ad hoc* enquiries at regular intervals.

*Unemployment* :—It is not possible to obtain any adequate statistics of unemployment unless there is an unemployment insurance scheme or other means of registration, complete for places or occupations, such as is sometimes provided by trade unions. We have neither an unemployment insurance scheme nor strong and popular trade unions which can take up this work. Hence the state of unemployment has to be investigated periodically, by the method of sampling, from important industrial centres. This is the best time to start such a work because, due to war, there are conditions of full employment and if a complete enumeration of the number of workers

employed is made in respect of the industries coming under the Factories Act, 1934, the Mines Act, 1923, and also other important organised and unorganised industries, the figures of employment in the subsequent years will provide an index of unemployment as these two are inversely related. The figures should be preferably monthly, so as to provide indices of seasonal changes in employment. As has already been pointed out, these have to be supplemented by periodical investigations.

*Collective Agreements*:—A very high percentage of workers are illiterate and trade unionism has not yet taken firm roots, in spite of the long period that has elapsed since its birth in this country. There are very few cases, indeed negligible if any, of mutual agreements before resorting to strikes and we find from the statistics of industrial disputes that a very high percentage of them have been unsuccessful. So, there will be very little data to be collected under this head for some time to come.

*Housing*:—The housing conditions of the majority of workers are notoriously bad. A very large number—above 75 per cent. and sometimes as high as 90 per cent.—are known to live in one room tenements with as many as 6 to 9 occupants. There is no scope for collecting housing statistics on the lines envisaged in the International Labour Office Report on standardisation of labour statistics, where they intend comparing the size of the dwellings, number of rooms and other amenities, with reference to the size of the family. However, an enquiry into the housing conditions of labourers is urgent and can be combined with other enquiries relating to health and general welfare. One important problem that should be investigated is the average distance between the factory and the workers' quarters. This has a bearing on the problem of transport for the workers from home to the factory. The Labour Investigation Committee had included this topic in its enquiries.

V. NEW CLASSES OF LABOUR THAT CAN BE INCLUDED.

So far, no statistics are collected for three important classes of labour, each of which forms a numerous group of labour population, namely (1) labour employed on construction, maintenance and repair work of all kinds, e.g., buildings, roads, canals, aerodromes, etc., (2) labour employed in transport services excluding railways, e.g., water, transport (chiefly inland navigation), docks, tramways and motor transport, and (3) labour employed in commercial services, e.g., shops, restaurants, entertainment houses, banks, etc.

(1) *Building and Other Constructions* :—From the definition of an industrial undertaking adopted by the First International Labour Conference in the "Hours of Work Convention," labour employed in these works comes under industrial labour. But it does not come under any Labour Act in India except to some extent under the Workmen's Compensation Act, 1923. Building labour of various kinds is, for the most part, quite unorganised and is scattered all over the country. Hence it will be very difficult to cover the whole of the labour population coming under this category. But no Government in the world has, perhaps, played so large a part in constructional works as the Central Government, various Provincial Governments and local bodies in India. Every Provincial Government has its public works department to supervise the work done on behalf of the Government local bodies like District Boards, Municipalities, etc. Most of the work is entrusted to approved contractors, a graded list of whom is maintained by the Department. Most of these contractors may be engaged by other institutions and individuals also. Hence if the provisions of the Industrial Statistics Act\* are extended to this class of labour and employers of more than 20 labourers are required to be licensed and submit returns regarding employment, conditions of work and wages on the lines of the

Factories Act, 1934, and the Payment of Wages Act, 1936, useful data can be obtained.

*Transport* :—It will not be possible to obtain information regarding the large number of people employed on animal-drawn vehicles and boats and other kinds of inland water transport systems. Attention may at first be concentrated on the employees in tramways, buses, shipping and steam navigation and docks. Tramways are to be found only in the following six cities -viz., Calcutta, Bombay, Madras, Cawnpore, Delhi and Karachi, of which the Calcutta and Bombay companies alone are of considerable size. It will be comparatively easy to obtain returns regarding those workers because, in each city there is a single tramway company, which may be required to supply the information. The Labour Investigation Committee has carried out a wage census of the workers employed in tramways.

*Motor Buses* :—Road transport by buses and lorries has expanded by leaps and bounds in the thirties; and in the post-war period, with the extension of metalled roads, further rapid strides may be expected in this means of transport. But, for the most part, the bus services in this country are the result of individual enterprise rather than the creation of large concerns and though of late the number of bus syndicate, has been increasing, their number is very small compared with the total services. Further they are found not only in big cities and towns but even in the countryside. It will be easy enough to obtain the number of these vehicles from the provincial transport and communication licensing authorities. But it will be quite a difficult matter to obtain information regarding the number of employed by them and their working conditions, etc. However, a beginning may be made with 'vehicles in large cities and towns'; and for the proper understanding of the problems involved, preliminary investigations may be carried out in a sample of cities and towns.

*Water Transport* :—With the development of railways and motor transport, the volume of traffic on waterways has been reduced very much. The important provinces for inland steamer traffic are Bengal and Assam, and almost the entire steamer traffic in these two provinces is in the hands of two important steamer companies. So it will be easier to obtain statistical data of the workers in these companies.

*Docks* :—The important docks of the country lie within the ports of Calcutta, Bombay, Karachi, Madras and Cochin. The demand for dock labour is intermittent, depending upon the arrival and departure of vessels and the size and nature of their cargoes, as well as seasonal and cyclical fluctuations. Usually the port authorities maintain a permanent establishment under their direct control, but the bulk of the labour engaged in loading and unloading is casual and is employed indirectly through stevedores or other contractors. Statistics of those workers can be obtained only from these stevedores or contractors. The Labour Investigation Committee has carried on surveys among these labourers.

*Commercial Establishments* :—This is a very complex problem, due to the presence of a large number of establishments of widely varying sizes. In several provinces, conditions of work are now regulated under the shops and establishments Acts, and some data may be obtained by the forms which may be prescribed under the rules. Further preliminary investigations may be carried on in certain large cities and towns on a sampling basis. Lists of commercial establishments in these places may be obtained from local corporations or municipalities. From the experience gathered in these preliminary enquiries the collection of data may be extended to smaller towns.

*Unregulated Factories and Industrial Establishments* :—There are several small scale factories and

sometimes large scale industrial establishments not using power, which do not come under the Factories Act, 1934. The desirability of bringing these unregulated factories also under some Act was pointed out by the Royal Commission on Labour. The total number of workers in these factories and establishments is very large. Except in Punjab no attempts are made to collect at least statistics of employment in these establishments. Three such industries which are found almost universally in all provinces are textile handloom weaving, tanneries and *beedi* manufacturing. But some provinces are very important for particular small scale industries, a few of which are given below, for illustration.

<i>Madras</i>	...	Manufacture of tobacco.
<i>U. P.</i>	...	Brass and bell metal industries, lace, carpet weaving, potteries, comb making, perfumeries and oil crushing, etc.
<i>Bihar</i>	...	Mica and shellac factories.
<i>Orissa</i>	...	Salt manufacture and <i>beedi</i> leaf collection.
<i>Assam</i>	...	Tea plantations.
<i>Punjab</i>	...	Wool cleaning, carpet weaving, small engineering workshops.

Some of the industries were investigated by special committees in the respective provinces. Recently in the Punjab, the Government appointed 5 regional inspectors to collect data in special forms prescribed for this purpose regarding the number of workers. The Labour Department of U. P. also has been carrying out investigations into some of the unregulated factories. The Bombay Government appointed a Committee in 1938 to report the position of the cottage industries in that province and the report was published. Madras appointed such a committee in the twenties. More recently the Government of India appointed a Fact Finding Committee for the Cotton Textile Handloom Weaving

Industry under the chairmanship of Prof. P. J. Thomas. The Labour Investigation Committee appointed by the Government of India have also carried out investigations into some of these industries.

#### VI. CONCLUSION

In the above paragraphs, we have made a brief survey of the present position of labour statistics in India and indicated the important gaps that have to be filled up. With regard to the statistics collected at present, there is need to ensure the accuracy of the returns submitted, and some improvements are possible in the tabulation of the data available in the primary returns so as to give more detailed information. All these points have been engaging the attention of the Government of India. To collect new data full use can be made of the Industrial Statistics Act, 1942.



## CHAPTER II

# THE WAGE LEVEL IN INDIA

*By N. K. Bhojwani*

Considerable progress has been made in the collection of statistics on the wages and earnings of industrial labour in India since the Royal Commission on Labour commented on the lack of adequate data on the subject. Upto 1945, however, the data collected were regional in their scope, and except in the provinces of Bombay and to some extent in Bihar, where comprehensive surveys have been undertaken, the enquiries into wages were confined to particular industries.<sup>1</sup> For the first time in the history of labour statistics in India, an attempt has been made during the war to collect comprehensive, fairly reliable and comparative statistics on the wages and earnings of industrial labour throughout India in practically all forms of non-agricultural occupations. This attempt has been made by the Labour Investigation Committee of the Government of India, popularly known as the Rege Committee, the reports of which are now being published. The Royal Commission's observations on the inadequacy of statistical material on wages can, therefore, no longer be repeated, as has been the case so far, in an introduction to a study of wages.

1 The most outstanding official reports on wages and labour conditions since the publication of the Report of the Royal Commission on Labour have been as follows: Report of an Enquiry into Wages and Unemployment in the Cotton Textile Industry, Bombay 1934; The General Wage Census, Bombay, 1934; Reports of the Bombay Textile Labour Enquiry Committee, 1939 and 1940, the Cawnpore Labour Enquiry Committee, 1938, the Court of Enquiry appointed to enquire into disputes between Labourers and Employers in the Textile Mills in Coimbatore; 1938, the Bihar Labour Enquiry Committee 1940, the C. P. Textile Labour Enquiry Committee, 1938, the C. P. & Berar Textile Labour Enquiry Committee 1940, the Nagpur Textile Enquiry Committee 1940; Report of Coal Mining Committee, 1937; Report on Labour in Coal Mines in the C. P. and Berar, 1943; Report of George Committee on Coir Industry, Travancore, 1939.

The Rege Committee has collected, *inter alia*, statistics on wages and earnings on an all-India basis in the following industrial and allied categories of employment <sup>2</sup> :—

A. Mining : (1) Coal. (2) Manganese. (3) Gold. (4) Mica. (5) Iron Ore. (6) Salt.

B. Plantations : (7) Tea. (8) Coffee. (9) Rubber.

C. Factory Industry : (10) Cotton. (11) Jute. (12) Silk. (13) Woolen. (14) Mineral Oil. (15) Dockyard. (16) Engineering. (17) Cement. (18) Matches. (19) Paper. (20) Carpet Weaving (21) Coir Matting. (22) Tanneries and Leather Goods Manufacture. (23) Potteries. (24) Printing Presses. (25) Glass. (26) Chemical and Pharmaceutical Works. (27) Shellac. (28) Bidi-making, Cigar and Cigarettes. (29) Mica splitting. (30) Sugar. (31) Cotton Ginning and Baling. (32) Rice Mills.

D. Transport : (33) Transport Services (Tramways and Buses). (34) Non-Gazetted Railway Staff.

E. Other Types of Labour : (35) Port Labour. (36) Municipal Labour. (37) Central P. W. D. Labour. (38) Rickshaw Pullers.

When all the reports of this Committee are published, it is expected that they will furnish such useful information on the wages and conditions of labour in general and in many important industries and regions in particular, about which little was known hitherto, e.g. the jute industry in Bengal, the silk industry in Kashmir and Mysore, the glass industry in the U.P., gold mining in Mysore, manganese mining in the C.P., mineral oil in Assam and Punjab. But from the reports published so far, it is seen that there is a pronounced lack of uniformity in the methods adopted for collecting wage statistics in different industries. In some industries a wage census

on an occupational basis was undertaken and data were collected directly from the pay rolls of factories and mines. In others wage data have been collected through *ad hoc* surveys. The results of the wage census are naturally more impressive and enlightening and it might be useful for Government to consider the institution of wage census enquiries in the major manufacturing and mining industries at least at regular intervals of say five years, and establish a series of index numbers of wages.

The wage census conducted by the Rege Committee is the second of its kind in India. The first, a general wage census in Bombay Presidency (excluding Sind), was undertaken by the Bombay Labour Office in 1934 and appears to have been more scientific and better conducted than the one undertaken by the Rege Committee. Both were conducted on the basis of the occupational structure of the industries concerned. But whereas the Bombay census was preceded by an elaborate attempt at standardisation of occupational nomenclature and a careful examination of pay rolls on the lines followed recently for the same purpose by the United States Bureau of Labour Statistics also,<sup>3</sup> the Rege Committee's census was, in my opinion, a technically haphazard and unplanned enterprise. Considerable amount of data collected could not be made use of partly due to lack of time but largely due to the chaotic state of affairs with regard to occupational names in some industries and unsatisfactory state of pay rolls. The results of the Rege Committee's wage census surveys have, nevertheless, been gratifying and considering the short period of time<sup>4</sup> during which the surveys were completed in no less than a dozen manufacturing and

<sup>3</sup> The principles of wage enquiries conducted by the U. S. Bureau of Labour Statistics are explained in the Preliminary Manual on the collection of occupational wage rates, 1943. A brief account is also given in the January 1944 issue of the *Monthly Labour Review*

<sup>4</sup> The field work was actually started in August 1944 and the first reports were submitted to Government by July 1945.

mining industries and actually covering the wage returns of more than a quarter million workers, they constitute a remarkable achievement in the organisation of field work, and assembling, computation, tabulation and analysis of a large mass of statistical data.

The experience of the census work emphasises the need of a statutory regulation of the manner in which pay rolls are maintained both by factories for directly employed labour and by contractors for contract labour. In the interests of proper survey work as much as in the interests of labour itself, it is essential that (a) separate pay rolls be maintained for men, women and children according to occupations and sub-occupations in which they are employed, (b) they show separately the amounts earned on account of basic wages, overtime pay and allowances if any, (c) they show the number of days during a wage period attended by workers as also the number of hours worked where payment is made by the hour, the rate of wages per hour, day, week or month in the case of time rated workers, and output and rate per unit of output in the case of piece rated workers. These suggestions are made because some pay rolls, e.g. in some dockyards, show only the total number of hours (including overtime, if any, converted into normal hours) worked during a wage period without showing the number of *days* attended. Some pay rolls do not distinguish between adult and young workers or permanent and substitute *badli* labour. In some cases e.g. in some jute mills of Bengal, gross earnings only of workers are recorded without any information regarding the constituents of such earnings. In the case of contract labour, particularly labour employed in mines, and in most of the important unregulated industries such as bidi-making, shellac and mica works, maintenance of pay rolls on a systematic basis is conspicuous by its absence.

This state of affairs with regard to pay rolls in certain sections of industry makes it extremely difficult sometimes to determine the level of wages and earnings as such and according to occupations.

The absence of standardisation of occupational nomenclature is another serious difficulty in the way of a comparative study of the remuneration of labour in the same occupational categories. Any attempt at standardisation of wage rates or fixing the minimum wages or settlement of wage disputes is likely to be handicapped without a standardised occupational classification of workers. Under the present conditions, no wonder, the wage position is so chaotic and a frequent cause of labour unrest. "It is not surprising that discontent is seething among the workers who move from mill to mill in the same locality and find that workers doing the same jobs are paid differently in different mills".<sup>5</sup>

## II

The Rege Committee's surveys of wages and earnings once again emphasise the low level of remuneration earned by labour in this country in practically all regulated industries in general and in unregulated industries in particular. The level of remuneration is in fact *known* to be so absolutely low as to require no statistical evidence. The value of such evidence, however, lies in exposing (a) the chaotic nature of the wage system and (b) regions and industries paying particularly low wages. The additional merit of these surveys lies in that so far as they were undertaken during an abnormal period, they bring out the deterioration in the fortunes of labour during war time. Unfortunately at the moment of writing not all the reports of the Committee are available. Four major reports on wages in coal mines, cotton and jute textiles and engineering industries have not yet been published. But from the reports published so far it is possible to show the failure of certain

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<sup>5</sup> R. Mukerjee, *The Indian Working Class*, p. 142.

industries enjoying natural and fiscal protection, which has been enhanced considerably by the war, to pay a living wage to labour.

(a) *Wages and earnings in the silk textile industry (1944).* This industry, manufacturing the 'queen of textiles' has enjoyed a certain measure of protection which enabled it to stand against foreign competition in pre-war years. In Kashmir the major part of the industry is a State monopoly. In Mysore it has received special attention from the State which has been spending over two lakhs of rupees annually over it.<sup>6</sup> The following figures show the level of basic wages and net earnings in this industry as revealed by the wage census conducted by the Rege Committee in Kashmir, Mysore, Bombay and Madras. Out of a total of 7,978 workers covered by the census, the distribution of 7,670 or 96 percent according to their average basic wages was as follows :—

*Average daily basic wage No. Percent of total (7,978).*

Less than 4 annas.	83	10.51
4 as. but below 6 as.	2,605	32.68
6 as. but „ 8 „	2,021	25.33
8 „ „ „ 10 „	716	9.73
10 „ „ „ 12 „	460	5.76
12 „ „ „ 14 „	145	1.81
14 „ „ „ Re.1 „	154	1.93
Re 1 „ „ Re1.2	670	8.40

It will be seen that nearly one-third of the workers covered were earning by way of basic wage 4 to 6 annas per day. Altogether nearly 70 percent of them were getting less than 8 annas per day.

As regards net earnings, 4,926 workers or 65 percent of the total were getting less than 12 annas per day and were distributed as follows :—

<sup>6</sup> Rege Committee's Report on Labour in the Silk Industry by S. R. Deshpande

Less than 6 as.	263	3.2%
6 as. to 8 as.	1,089	13.6%
8 as. to 10 as.	2,246	28.2%
10 as. to 12 as.	1,591	20.9%

Considering the level of wages and earnings in this industry in different regions, Mysore shows the heaviest concentration in low wage groups, evidently on account of the employment of women and children on a large scale. Kashmir shows the highest wage level.

In Mysore 85 percent of workers had basic wage of less than 8 annas per day, as compared with 37 percent in Kashmir. In Madras (Kollegal district) also 35 percent of workers were getting less than 8 annas per day but the percentage receiving less than 4 annas was 5.1 as compared with 18.2 in Mysore and the percentage receiving 6 annas to 8 annas was 47.9 percent as compared with 15.3 percent in Mysore. Similar observations apply to the level of net earnings in these regions.

It is pointed by the author of the report on this industry that "so far as the silk industry in Mysore is concerned, there is an acute shortage of labour" (p. 10). He concludes his report with the following observation : "Considering that this is a luxury trade which in normal times caters at any rate to the vanity of the rich, and in times of war, manufactures some of the most delicate and precise types of fabrics, it would appear that if ever there was a case for guaranteeing basic minimum conditions to labour employed in an industry, the silk industry in India is a case in point" (p. 25).

(b) *Wages and earnings in the cement industry (1944)*. This is another industry which owes its growth and prosperity to protection. The Rege Committee's wage census covered 6,163 workers employed in this industry, of whom 38 percent had

a basic wage of less than 8 annas per day ; another 28 percent and 15 percent were getting between annas 8 and annas 12 and annas 12 and Re. 1 per day respectively. Average daily net earnings of 61 percent of workers were below Re. 1. Altogether 76 percent were getting not more than Re. 1.4.0. In this industry also pronounced disparities are noticeable in the level of wages in different regions. Sind (Karachi and Rohri) had the highest level while Rajputana (Lakheri) the lowest, followed by Coimbatore and Guntur in Madras province. At Lakheri 77.4 percent of the total number of workers covered by the census (1,056) had their average daily basic wages as under :

Less than 4 annas	26	8.1	%	of the total
4 as. to 6 as.	369	34.9	"	"
6 as. to 8 as.	110	18.9	"	"
8 as. to 10 as.	162	15.5	"	"

In Sind no worker was receiving less than 10 as. per day. In respect of average daily net earnings 78.2 percent of workers at Lakheri were getting less than Re. 1.

Less than 8 annas	80	7.5	%	of the total
8 as. to 12 as.	494	46.8	"	"
12 as. to Re. 1	252	23.9	"	"

In Sind on the other hand 2.2 percent only of workers were below Re. 1. The explanation of this pronounced disparity lies only partly in the practice of employing women and children in Lakheri. The author of the Rege Committee's report on labour in the cement industry concludes by observing : "The wage level in the industry, however, in spite of its sheltered position continues to be low. Moreover, the scale of dearness allowance granted in the industry does not seem to have kept pace with the rise in the cost of living and would appear to be



much lower than the scales prevailing in other organised industries in the country". (p. 51).

(c) *Wages and earnings in the paper mill industry (1944).*—Like the cement industry, the paper mill industry is one of the protected industries of the country. Commenting on the wage position in this industry the Rege Committee's report says that "in spite of the improved position of the industry during the period of the war, the workers do not seem to have benefited materially. The wage level in this industry is none too high and is slightly lower than in other organised industries in the country" (p. 34). The author expresses the hope that "with the continued prosperity of the industry, there will be an organised effort on the part of the paper manufacturers to bring about an all-round improvement in the conditions of work and wages of those who depend on this industry for their livelihood.

From the wage returns of 12,863 workers obtained during the course of the census it is seen that nearly 80 percent of them were getting an average daily basic wage of less than 14 annas and were distributed in different wage groups as follows :

Less than 4 annas	87	.7	percent	
4 as. to 6 as.	1,337	10.8	"	of the total (12,863)
6 as. to 8 as.	2,240	17.4	"	
8 as. to 10 as.	1,914	14.9	"	
10 as. to 12 as.	2,952	22.9	"	
12 as. to 14 as.	1,854	12.4	"	

As regards average daily net earnings 80 percent of workers covered were found receiving less than Re. 1.6 0. But as many as 30 percent of the total fell in the group of 10 annas to 14 annas and another 30 percent in the group of 14 annas to Re. 1.2.0.

Disparities in the regional levels of wages and earnings in this industry also are seen to be pronounced, with Orissa (Brajrajnagar) showing the

lowest level, paying a basic wage of less than 6 annas per day to 60 percent of workers. The level is slightly higher in Bihar with 86 percent of workers getting more than 6 annas but less than 8 annas. In Bengal however it is much higher with 7 percent of workers getting less than 8 annas, 48 percent, 8 annas to 12 annas and 25 percent 12 annas to Re. 1.

(d) *Wages and earnings in the coir matting industry (1944).*—This industry, located principally in the States of Travancore and Cochin and employing an extensive labour force estimated at nearly 1 lakh workers, enjoys a “well nigh monopolistic” position.<sup>7</sup> But owing to the existence of chaotic conditions in the industry due to “too many factories, too much plant and too much labour in the industry” there was, before the war, acute internal competition with mutual price cutting among the manufacturers. Thus both the employers as well as labour have not been reaping the advantages of the monopolistic position of the industry.

The Rege Committee’s *ad hoc* survey of wages and earnings in this industry shows the average daily basic wages of children to be less than 6 annas and of women less than 8 annas while their net earnings were less than 12 annas and Re. 1 respectively. As regards adult male workers about 60 percent of them were getting basic wages of not more than 14 annas per day while their net earnings did not exceed Re. 1.8.0 per day. The report reaches the conclusion that the economic position of the worker has deteriorated from bad to worse owing to the increase in earnings being far behind the increase in the cost of living.<sup>8</sup>

(e) *Wages and earnings in gold mines (1944).*—Gold mining in Mysore has been a source of extensive revenue to the State. During 1941, '42 and

<sup>7</sup> George Committee’s Report, p. 91.

<sup>8</sup> Rege Committee’s Report on Coir-matting Industry, p. 27.

'43 alone the State derived a revenue of nearly Rs. 3.75 crores from the mines by way of Royalty and Duty. The dividends paid by the mining companies amounted to 30 percent and 20.5 percent of paid up capital in 1939 and 1940 respectively.<sup>9</sup>

The Rege Committee conducted a wage census in this industry and found that so far as company employees were concerned, nearly half of the workers were in receipt of a basic wage of about nine annas per day while their total earnings for a fortnight came to about Rs. 13. One-third of contract labour underground, performing much more arduous tasks, showed an average of 12 annas per day and Rs. 14 to Rs. 15 per fortnight. Taking all occupations, underground, surface and engineering and company and contract labour together, the wage returns of 4,449 sampled workers showed the following distribution :-

Average daily basic wages :

Less than 8 as.	8.7	percent	} 81 percent
8 as. to 12 as.	50.6	"	
12 as. to Re. 1	21.7	"	
Over Re. 1	19	"	

Average daily net earnings :

8 as. to 12 as.	4.2	"	} 82.9 percent
12 as. to Re. 1	10.9	"	
Re. 1 to Re. 1.4	47.1	"	
Re. 1.4 to Re. 1.8	20.7	"	
Over Re. 1.8	17.1	"	

It is pointed out in the Committee's report that "for several years upto about 1940, the basic wage structure in the mines remained unaltered. In that year the basic daily wage rate was increased by one anna and a similar increase was again granted in 1942" (p. 8.). The report reaches the conclusion that while the amount of dearness allowance paid to

miners compares favourably with the scale of allowances paid in other industries in Mysore State, it does not compensate them anywhere near the extent of the increase in the cost of living. "Moreover, the basic wage level although again comparing favourably with the wage level prevailing in other localities in South India, is not such as would leave a margin for savings to the workers even for meeting their ordinary social obligations. There is a tendency to regard expenditure on these as mere extravagance but it should be remembered that the worker is part of a social organisation and has perforce to conform to certain social standards even if he is not in a position to do so. In these matters the individual is often helpless"<sup>10</sup>.

(f) Before concluding this section the wage position in the mica mining and manufacturing and manganese mining industries may be noticed. The Rege Committee's reports on these two industries give a disturbing picture of what is meant by Asiatic standards of living. In the production of superior mica, India holds a monopoly while till recently she led the world in manganese production and is now second only to the U. S. S. R. In the mica manufacturing section in Bihar, it is reported that "This is the only industry wherein, even during a period of soaring prices, wages have gone down", owing to the excessive supply of labour.<sup>11</sup> In these factories the average daily earnings of adult workers have been estimated at as. 8.2 and of children about as. 4. In the mining section men and women coolies were found earning as. 9½ and as. 8 respectively. For underground workers the average earnings have been estimated at between as. 13 and Re. 1.

In manganese mines wages have been found to be even lower than in mica though working conditions have been declared to be much better. Wages aver.

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<sup>10</sup> Report on Gold, p. 22.\*

<sup>11</sup> Rege Committee's Report on Mica, p. 30,

age as. 7.7 for men and as. 5 for women exclusive of the benefits of food concessions estimated at as. 4 per head per day.

Much evidence could be adduced to show the utter poverty of the industrial workers in India. The fact that industries enjoying monopolistic position and tariff protection have failed to pay an adequate wage to workers is a pointer to the level of wages in the country as a whole.

The figures given in the preceding pages speak for themselves. According to the requirements of any standard family budget incorporating the cost of the absolute minimum requirements of a worker's family with regard to food, clothing, housing, health, etc. estimated by Dr. Radhakamal Mukerjee at Rs. 30 per month for Northern India at *pre-war* prices it will be seen that for the great proportion of workers the level of wages and earnings is too low. The averages of daily basic wages and net earnings shown above, in fact, overestimate the level of a worker's income during a month or year. The averages have been worked out by dividing the total wages earned during a wage period by the number of *working* days. Thus if a worker's wage in a wage period having 26 working days and 31 calendar days is Rs 26 then his average daily wage, in the sense in which the term is used above, is Re. 1. But this average is true of the number of *working* days as distinct from the number of calendar or consumption days. For the latter the average would be  $\text{Rs. } 26/31 \text{ days} = \text{Re. } 0.8387$ . In the same way, allowing for Sundays, other holidays and days of unpaid absenteeism on account of sickness, leave, etc., if we assume the number of working days in the year to be 300, the average daily wage in the case under consideration during the year would be  $1 \times 300/365 = \text{Re. } 0.8219$  which is 18 percent less than the technical average. In any scheme of minimum wage legislation, therefore, the minima should be so fixed as to allow for adequate wages not only

per working day but also over a month at least. In the case of monthly rated workers this problem does not arise. But it is of great importance for daily rated and piece-rated workers.

This discussion of the wage position stresses the urgency of regulating wages to raise and protect the worker's standard of living. Unprotected and low as it is, it is now, in the conditions of the post-war economy, in no uncertain danger of being depressed further. There is talk in the air already about cutting wages in the interests of bringing down the cost of production and prices and undoing the evils of war-time inflation.<sup>12</sup>

Labour, on its part, sensing the danger has declared its hostility to any wage cutting in unmistakable terms. But if it comes to a fight there can be no doubt that labour will have to face the spectre of unemployment unless the State extends protection to it against powerful capitalistic interests who appear to think that profits, commissions and dividends play no part in determining the price level.

### III

The Minimum Wage Bill introduced in the Central Legislative Assembly in April 1946 is the first step of its kind in India towards a statutory regulation of wages. The Bill requires Provincial Governments to fix minimum wages in the following eleven categories of industrial and allied employments : employment on woolen carpet making and shawl weaving establishments ; rice mills ; oil mills ; tobacco and *bidi* factories ; lac factories ; mica works ; plantation growing tea ; coffee, rubber or cinchona ; road construction or building operations ; stone breaking or crushing ; public motor transport, and works undertaken by local authorities. A number of purely agricultural and allied occupations are also

<sup>12</sup> E.g. Cf. Sir Shree Ram, 'First Step to Check Inflation' in HINDUSTAN TIMES, 20th August, 1946.

included in the schedule. It is stated in the Statement of Objects and Reasons that "The items in the schedule are those where sweated labour is most prevalent or where there is a big chance of exploitation of labour".

The fixing of minimum wages by Provincial Governments in the scheduled occupations is obligatory except when the total number of persons employed in any of them in a whole province is less than 1000. The Bill authorises a Provincial Government to add any new employment to the schedule of employments "in respect of which it is of opinion that minimum wages should be fixed".

The procedure prescribed for fixing minimum wages *for the first time* in any occupation requires Provincial Governments either to appoint an Advisory Committee representative of employers and workers in the employment concerned or publish their own proposals and invite representations. Minimum wages are to be fixed in the light of the advice tendered by the Committee or the representations received from the interests concerned. In the case of *revision* of minimum wages, however, the appointment of a representative Advisory Committee is obligatory. In fixing or revising minimum wages the provincial authorities are allowed to fix different minima for (i) different scheduled employments ; (ii) different classes of work in the same scheduled employment ; (iii) adults, adolescents children ; (iv) men and women ; (v) different localities.

These constitute some of the outstanding features of the Bill. While the employments covered by the Bill are well chosen, as many of them are unregulated and depend upon sweated labour to an extensive scale, there is a case for extending the immediate scope of application of minimum wage legislation to labour employed in a number of other old, well established and regulated industries such as coal, manganese, mica and iron ore mines and iron

and steel, silk and jute textile and coir matting industries and cement and sugar factories to name only a few in which wages are not always higher than in some of the employments scheduled in the Bill e.g. Public Motor Transport. In three of these industries, namely mica, jute and coir matting, India enjoys almost a world monopoly. In the production of manganese India enjoys a semi-monopolistic position. The iron and steel, cement and sugar industries and to some extent silk have enjoyed the benefits of protection, while coal and iron ore have been more or less sheltered enterprises. By making in the first attempt at statutory wage regulation a more bold measure than is intended, by the inclusion of industries which can be made to part with some of the natural, fiscal and other advantages enjoyed by them, in favour of labour, which they have utterly failed to do so far, a greater measure of success for minimum wage legislation can be assured. The capacity of industries enjoying these advantages to pay higher wages can be estimated with greater facility than would be possible in many of the scheduled employments. The scope of organisational and technical improvements on the other hand in the structure of these industries, aimed at enhancing their capacity to pay higher wages, is also very wide. Methods of coal and mica mining and of recruitment of mining labour, for instance, are notoriously wasteful. Thus it is held that "The cost of recruitment which is estimated at 4 to 6 as. per ton of coal raised will continue to be a drag on the coal industry and an impediment to improvement of wages and of conditions of labour in the mines generally".<sup>13</sup>

The *Journal of Scientific and Industrial Research* (Oct. 1943, p. 39) states, ".....the mica is scooped out from easily accessible portions and large quantities of mica remaining in the depths are abandoned ; the mines are gradually buried under debris and are over.

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<sup>13</sup> R. Mukerjee, *The Indian Working Class*, p. 26.



grown with dense vegetation. Colossal damage is being done to India's mica resources by these people (holders of mining licenses) and proper steps should be taken to protect the mica mining industry from such seekers of fortune".<sup>14</sup> Marketing of mica yields incredibly higher profits to importers abroad than to Indian miners and dealers.<sup>15</sup> The high profits earned by jute mills in spite of the existence of excess capacity give some indication of the real wage paying capacity of the industry, while the prosperity of iron and steel, cement and sugar industries has been undoubtedly a paradox when the level of wages paid by them is taken into consideration. In Indian conditions it might be much better in fact to try out our first experiment in minimum wage regulation by including in scheduled employments industries which are regulated and localised, in which the various individual units employ a sufficiently large labour force, already maintain registers and records relating to the workmen employed and the wages paid and in which the work of inspection can be easily and economically undertaken. This suggestion undoubtedly goes against the history of minimum wage legislation abroad where regulation commenced with unregulated and sweated trades in the same way as the Indian Bill proposes. But it may be pointed out that larger and regulated trades were initially left out of the scope of regulation abroad owing to the widespread development of a strong trade union movement among them. In India trade unionism is still weak and undoubtedly of little account in the industries named above and many others. It is true that the Draft International Convention adopted by the eleventh International Labour Conference in 1928 laid down that wage regulating machinery should be set up in those trades wherein "no arrangements exist for the effective regulation of wages by collective agree-

<sup>14</sup> Quoted in Rego Committee's Report on Mica, p. 20.

<sup>15</sup> Ibid, p. 67.

ment or otherwise and wages are exceptionally low". Before the depression of 1929 minimum wage regulation was considered necessary in the European countries for sweated industries only. But the experience of the depression has shown that "even in trades that normally pay a good wage there may be no limit, in the absence of labour organised to resist, to the cut that may be imposed in bad times. The only condition to be satisfied today before minimum wage regulation is introduced is, therefore, the absence of labour organisation".<sup>16</sup> If this view is accepted, and it appears to be the correct view, then the case for bringing the major part of the industrial economy of the country within the scope of minimum wage legislation is very strong. It would seem wiser and more feasible to increase the number of scheduled employments of an industrial nature than to bring agricultural labour within the scope of the Bill as proposed. In view of the peculiar conditions of employment and remuneration of agricultural workers in India, it is doubtful whether minimum wage legislation for these types of workers will succeed at all or is their most urgent need.

The Bill has been criticised in some quarters on the ground that it "does not lay down any definite principle to be followed in determining the minimum wages payable in any employment..... and, it is quite likely that in the absence of definite statutory guidance different provinces or even different Advisory Boards might adopt different criteria and thus cause considerable confusion and uncertainty".<sup>17</sup>

The first part of this criticism exaggerates the practical value of the theoretical principles of minimum wage regulation. The second part of the criticism raises the important issue, whether regulation should be on a regional or provincial basis or on

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<sup>16</sup> D. R. Gadgil, *Regulation of Wages and Other Problems of Industrial Labour in India*, p. 43.

<sup>17</sup> *Eastern Economist*, 3rd May 1946, p. 745.

all-India basis. As regards the first, it is as well that the Bill has not attempted to formulate a code of principles to guide provincial governments or boards in their proceedings. Foreign experience shows that it is not possible to formulate a scientific or theoretical body of principles on which an absolutely accurate assessment of wage levels can be made. "The Australian courts equally with the Canadian Boards establish a relative and rough justice rather than an exact and absolute one. And this is so, not because no attempt has been made to achieve an exact and absolute justice, but because in wage determination this cannot be achieved".<sup>18</sup> Each case, in other words, has to be handled independently and on its own merits and the same principle accepted by one board is rejected by another or even by the same board sitting in a different case. It may be expected therefore that in India, as elsewhere, certain broad uniformities in basic principles will be discovered during the administration of minimum wage legislation and that the aim of such administration will be more to arrive at a workable compromise than to give a judicial award.

While the principle of wage determination need not be laid down in the minimum wages Act, it is a matter for consideration whether wage regulation should be a matter of provincial or all-India policy. The present Bill empowers the provinces to fix minimum wages in scheduled employments. That this is likely to lead to conflict of provincial and industrial interests cannot be doubted. Thus it was argued by employers before the Bihar Labour Enquiry Committee that the regulation of minimum wages in Bihar was likely to prejudice the industries of Bihar in competition with the industries of the other provinces, the Indian States and foreign countries. Anxiety was expressed about the coal industry of Bihar if any further burden was placed on it and

<sup>18</sup> Gadgil, *Op. Cit.*

more particularly when the coal industry of Bengal and the Central Provinces or the Indian States was not subjected to a corresponding burden. "The danger to which these and other witnesses have alluded, has always been present in our minds and has *prevented us from going as far as we had wished or the conditions of workers justified*".<sup>19</sup> (*Italics mine*).

This is a significant remark by the Committee, for it shows that under a provincial scheme of wage regulation, progressive wage policies may be difficult to adopt for fear of provincial competition and employers will always have a strong case against fixing or revision of wages at higher than prevailing levels. It would be therefore highly desirable that a similar policy in this matter should be adopted by the various provinces or that there should be all-India Wage Boards like the Tariff Board entrusted with the fixing of minimum wage levels. Apart from considerations of economy of administration and expert knowledge of general economic and social conditions of different regions and social groups, financial conditions of industries, costs and standards of living which such Boards will accumulate, they are more likely than provincial Boards to maintain inter-provincial equilibrium and set higher and progressive standards of wages and welfare. This should be quite consistent with laying down different regional rates and terms of collective agreements in harmony with the diversity of labour conditions in India.

Regulation of wages is in the last analysis a problem of human relations. Its necessity is a recognition of the denial of the right to decent standards of living to millions of wage earners by capitalistic society and the unreasonableness of conceding to capital and enterprise an unconditional first charge on the national dividend. But old beliefs die hard as shown by the school of thought which considers

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<sup>19</sup> See Behar Labour Enquiry Committee Report, Vol. I, p. 181.

it dangerous to declare a living wage markedly different from current ruling rates. Dr. Radha Kamal Mukerjee holds that minimum wage legislation in India should avoid too great alterations in the present wage rates in the various provinces<sup>20</sup> and quotes from Sawkins with reference to Australia as follows<sup>21</sup>: "The risk of disturbing the nominal purchasing power of the vast masses of the community whose living depends on wages is too formidable. The economic consequences of either large inflationist or large deflationist measures are too incalculable."

What may be true of Australia is not necessarily true of India where the industrial population is a small part of the total working population. An increase in the nominal purchasing power of the Indian industrial population cannot therefore be regarded as "too formidable" a risk, having incalculable economic consequences. Sawkins' argument is really incomplete and misplaced. In fact in normal times the economic troubles of the world have arisen more from lack of purchasing power than from a plethora of purchasing power and more from lack of consumption than of production. Capitalistic society's reluctance to pay living wages to vast masses of the community has been in no small degree the major cause of the phenomenon of poverty in the midst of plenty. The policy of gradualness in minimum wage regulation, which the Royal Commission stressed should not be lost sight of if the desired end is to be achieved without disaster, has amounted in practice to a policy of doing nothing. Indian industrial labour has been denied a fair share of the proceeds even of industries safeguarded against foreign competition by natural and fiscal protection, while charges other than wages on the proceeds of such industries as of all industries are held to be sacred and

20 Ibid, p. 160.

21 The Living Wage in Australia

unalterable. To describe an attempt at raising wages otherwise than by gentle gradations "so as to prevent abrupt change of economic conditions"<sup>22</sup> as dangerous is really to perpetuate poverty and inefficiency. Dr. Radha Kamal Mukerjee suggests a period as long as ten years within which the minimum wage of Rs. 30 per month calculated on certain norms of consumption may be made universal if conditions permit. Even this enlightened writer has nothing to say in favour of limiting profits, dividends, commissions and such other charges on the proceeds of industry or nationalisation of industry in the interests of giving labour a square deal. Such an approach to the problem of a national minimum wage concedes to the Indian working class the right to exist but certainly not the right to live as part of a civilised community.

<sup>22</sup> Radha Kamal Mukerjee, *The Indian Working Class*, p. 192.

### CHAPTER III

## WAGE DIFFERENTIALS IN INDIA : A STATISTICAL ANALYSIS

*By M. V. Seshagiri Rao*

It is a wellknown fact that wages vary from province to province, from industry to industry and from occupation to occupation as well as from year to year. It needs neither proof nor evidence. Yet a scientific study of the variation of wages in India is undertaken in this article on the basis of data obtained under the Payment of Wages Act by the Government of India. The author acknowledges in this connection his indebtedness to the authorities of the Department of Labour for kindly allowing him to make use of the unpublished data.

The period chosen is one in which the temporal changes are strikingly observed. The World War II broke out in 1939 and since then has been noticed a gradual increase in the cost of living and a consequent rise in the wage levels. The year 1942 saw the beginning of payment of dearness allowances and bonuses, and concessions in cash and kind almost everywhere in India. The figures for 1942 were however not published as they were found incomparable due to the absence of a uniform procedure regarding the inclusion of dearness allowances etc. in total wages. The figures for that year are therefore dropped in the following analysis.

The average earnings of the workers in the different major industries in each of the more important provinces of British India are given in the following tables. The basis of calculation of these figures is simple and straightforward. In each province the total wages paid in each industry are divided by the total number of workers in that in-

dustry to get the average wage drawn by a worker in that industry. It includes therefore a person drawing Rs. 15 a month as well as another drawing Rs. 150 a month. But the proportion of low-paid workers being greater than the proportion of comparatively high-paid, we can reasonably expect the average to be nearer the minimum than the maximum and to represent fairly the income position of the vast majority of workers in the industry. The data thus helps us to obtain a general idea of the income of the working population according to the various regions and industries.

An examination of the variation in the average incomes in the different years enables us to compare the economic position of the working class in the later years with that in the earlier. But it requires a comparison of the trend of the movement of wage levels with that of the cost of living. The aim of this article is not however to draw conclusions regarding the economic position of the worker but to verify on a scientific basis the factors which we normally expect to influence wage differentials. Let us now examine the data.

### *Average Annual Earnings in Rupees*

	Year	Textiles	Engineering	Minerals and Metals	Chemicals and Dyes	Paper and Printing	Wood, Stone and Glass
Madras	1939	173	230	180	148	263	104
	1940	187	242	155	221	245	121
	1941	195	251	179	153	208	163
	1943	345	305	242	194	299	180



	Year	Textiles	Engineering	Minerals and Metals	Chemicals and Dyes	Paper and Printing	Wood, Stone and Glass
Bombay	1939	373	474	281	255	396	264
	1940	382	519	324	268	392	231
	1941	412	574	287	273	388	297
	1943	323	794	546	566	501	413
Bengal	1939	216	260	333	225	371	184
	1940	268	288	404	234	462	170
	1941	257	333	318	264	389	192
	1943	303	423	339	355	437	304
Bihar	1939	163	260	603	137	214	285
	1940	176	305	610	171	243	180
	1941	201	293	632	160	238	211
	1943	204	335	664	223	279	232
U. P.	1939	259	224	144	153	244	147
	1940	297	258	177	168	231	167
	1941	307	239	183	170	236	147
	1943	561	401	357	296	314	241

*Variation over time:*—Variation of wages over time is of interest as reflecting the great significance of factors influencing the economy as a whole like depression or inflation or expansion of activity on wage levels. From the tables we notice that the trend in general of the movement of wage levels is one of gradual

and steady increase in the years 1939, 1940 and 1941 and a sudden and jerking rise in the two subsequent years which is more than proportionate when compared with the previous rate. Considering for example the textile industry in Bombay, whereas the rise in 1940 over 1939 is by Rs. 9 and the rise in 1941 over 1940 is by Rs. 30, the rise in 1943 over 1941 is by Rs. 411. Thus we find almost a hundred per cent rise in the wages paid in the Bombay textile industry during the two years 1942 and 1943. The increase is not however so marked in the other provinces but Bombay maintains the same trend in all the other industries also. The wages in the other provinces maintain a kind of uniformly increasing trend although sometimes the increase between 1941 and 1943 is slightly more than proportionate when considered with the increases in the earlier years. This trend is quite in harmony with the corresponding growth in the prices of consumer goods. The growth in the prices was fairly slow till the year 1941. Then came a rapid rise and prices reached unprecedented levels. Many a strike and deputation followed. The adjudicators and conciliators were wise enough to give decisions favourable to the labour class. Bombay led the way by granting dearness allowance and other concessions. The other provinces followed. This is the main factor that caused the sudden and jerking rise in the wage levels after 1941.

*Variation as between provinces :—*There is a decidedly significant difference in the wages paid in the different provinces. The wages are highest in Bombay in all the industries except minerals and metals which is an unimportant industry so far as Bombay is concerned. One of the factors which causes the regional differences in wages is the differential level in the cost of living and the cost of living in Bombay is considered to be far higher than in the other provinces. Secondly, Bombay is an industrially

advanced province. Consequently there is a large demand for skilled labour in that province and the large demand naturally gives rise to high wages. The earnings further depend upon the number of working days. Many of these factories are perennial and need a perpetual labour supply throughout the year. A comparatively high wage rate is necessary to attract and to retain the attracted labour. Another factor which we notice in this regional variation is the influence of localisation on wages. The most important and striking example of this influence is the minerals and metals industry in Bihar. There we find extraordinarily high average wage in this industry. Textiles in Bombay and paper in Bengal are similar examples. The other industries considered are not localised to such an extent and are uniformly spread throughout the country. No such influence is therefore observed anywhere else.

*Variation as between industries* :—Though the variation in the wages paid in the different industries is not so marked as in the cases of regional and temporal variations, there is a considerable difference in the wages paid in the textile and engineering industries on the one hand and the rest on the other. Throughout the period wages in the engineering industry have been considerably higher than the wages even in textiles but as the position stands in 1943, the wages paid in the textiles industry in Bombay, U. P., and Madras are higher than the wages paid in the engineering industry of these provinces. Workers are generally least paid in the industries coming under the groups of chemicals and dyes and wood, stone and glass. The effect of localisation has been considered above and the only objections to safely concluding that wages are highest in the engineering and textile industries are these, stray cases of localisation namely, minerals and metals in Bihar and paper in Bengal.

Let us now analyse the variance under the different heads on a scientific basis and see what the

results will be. The methods of Analysis of Variance as applied to a three-fold classification may be suitable for this data. To test the significance of each of these variances, Prof. Fisher's 'z' distribution or its modified form of 'F' ratio may be convenient to use. The 'z' distribution is used in the following analysis.

### *Analysis of Variance*

Source of Variance	Degrees of Freedom	Magnitude	Mean Square	Observed 'z'	1% Theoretical Value
Between Provinces	4	606085.0	151521.4	1.26548	.6472
Between Industries	5	348850.6	69770.1	.87774	.6028
Between Years	4	332611.5	110870.5	1.10925	.7086
Interactions between Provinces and Industries	20	172338.9	8642.0	-0.16655	.4022
Provinces and Years	12	42741.5	3561.8	-0.60973	.4574
Industries and Years	15	10451.7	696.8	-1.42549	.4367
Remainder (Triple Interaction)	60	723561.5	12059.4	...	...

The Remainder or the Triple Interaction is the best available measure of random variation. The variances are therefore compared with the Triple Interaction. The function 'z' is calculated for each of these variances and is compared with its theoretical 1 per cent value.

The three main variances, namely, between industries, between provinces and between years, are found to be significantly greater than the random

variation. Hence these variances cannot be attributed to random causes. There is a definite influence of these three factors on the wage levels. Among these, the variance between the industries is the least and the other two are higher than this. It shows that while all the three variances are significantly large, the variance between industries is comparatively (though not very markedly) small. This difference may be attributed to purely random causes and no such inference can be drawn from this without further examination.

The three interactions are found to be less than the random variation and are thus insignificant. It means that these variances may be attributed to purely random causes. This result however has its own significance. Let us consider the interaction between Provinces and industries. It is found to be insignificant. It means therefore that the inter-relationship between the wages paid in the different provinces is not disturbed to a significant extent by the type of industry. Thus in every industry group the first place given to Bombay and the relative equality of wages between the other provinces is maintained. A stray case like minerals and metals in Bihar is not powerful enough to upset the situation. The above result further means that the inter-relationship between the wages paid in the different industries is unaffected by the regional factor. Thus in every province we find in general that wages in the engineering and textile industries are higher than in the other industries and the discrepancies are not much. A similar interpretation can be given in the case of the other two interactions. The general trend in the movement of wage levels in regard to time is affected neither by the differences in the regions nor by the differences in the industries. Nor are the inter-relationships between the wage rates in the different Provinces and between the wage rates in the different industries influenced to any considerable extent by the time

factor. The same kind of general relationships is to be noticed in all the four years and the same trend in regard to time is to be noticed in all the Provinces and in all the industries. A few stray cases of exception here and there do not alter the position to any degree of significance.

Thus we find that while the three main variances namely between regions, between industries and between years, are each one of them important and highly significant by themselves in influencing the wage levels, the effect of each of these factors on the others is almost nil. The only exception to this rule is the case where the localisation affects the wage levels and the influence of this is observed to be insignificant in a general analysis as that done above.

Problems of standardisation of wage rates for different occupations, regulation of wages and the fixation of minimum rates are some of the most important issues with which public policy has to concern itself in the near future. The above analysis has clearly shown that in these matters the three important factors to be taken into account are the natural variations as between Provinces, between the different types of industries and over time. It is therefore necessary to note the following points :—

(1) Time has no effect on the regional variation nor has the type of industry. The differences are bound to exist. Therefore in fixing up the minimum wage rates we should notice that the same rates should not be fixed for workers in the different regions. It may lead to greater difficulties unless the cost of living in the different centres is brought down to the same level. .

(2) Time has no effect on the variation between the types of industries, nor has the regional factor. Work in all the types of industries is not uniform. Some need skilled labour and some others are risky. A skilled and trained labourer cannot be expected to

work for the same wage as given to an ordinary unskilled worker nor is a worker ever willing to go to a job where considerable risk is involved for the same rate. Wage rates in such industries should necessarily be higher than where no such skill is needed and where no such risk is involved.

(3) An exceptionally rapid rise is observed in the wage rates, or to be more exact, in the average earnings during the period under review. But this trend is not going to continue any longer. Cost of living is kept stationary by means of the necessary controls. We can expect therefore that the wage rates also will remain stationary for the time being and the next thing to follow is depression and a consequent lowering of wage rates. Hence it is necessary in the interest of the labourer, in order to raise his standard of living, that the wage rates should not be allowed to fall. Raising of wage rates is rather more difficult than maintaining the levels attained. This is therefore what is to be attempted.

While these conclusions are based on the analysis of wage levels indicated by average earnings, they are significant enough to be of considerable use even with regard to the regulation of wages for individual groups of workers.\*

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\* The author alone is responsible for the views expressed in this article and the Government is in no way committed—Author.

## CHAPTER IV

# THE REGULATION OF THE INDUSTRIAL WAGE IN INDIA\*

By "Poverty Knocker"

*[The nom-de-plume disguises an industrialist with nearly forty years' experience of Indian labour conditions, particularly in the cotton trade. Although the title of the article is the "Regulation of Wages", the writer insists that as a prerequisite to regulation, the wage itself should be put on an equitable basis and datal as well as piece-work wages and conditions of work should be well defined. He suggests a directive by Government as to the broad policy for the development of Industry and the appointment of Trained Fact Finders representing State, Employee, Employer and Management. On these facts a Standardised Wage should be drawn up and agreed to, if possible, by negotiation on a basis of Minimum Wage plus incentives. The regulation of such a wage should be based on sound up-to-date information from these trained Fact Finders by the means outlined in the Bombay Industrial Disputes Act of 1938, which is to be simplified and amended in the light of experience—Editor.]*

The title definitely lays down the pattern of the article, viz., the adjustment by methodical means, subject to certain governing principles, of an agreed covenant, arrived at by bargaining between two parties whereby a payment as a reward for steady activity and careful attention to work is made by an employer to an employee. The area involved is the new India and is assumed to cover the area now covered by British India, Indian States and special areas. It is therefore assumed that the whole country is concerned and no reservations are made to cover exceptions which at present allow for the avoidance of responsibility by an increasing number of industrial employers who take refuge in Indian States to avoid responsibilities to their employees and, their financial obligations to the country. The absence of

\* This Chapter was written in April, 1946—Editor.



a Government Directive (Central and Provincial), as to their exact Labour Policy makes it difficult to arrive at a basis for discussion. Two schools of thought exist in this country—the one insisting on a full and complete industrialisation of the highest Western pattern, and the other desirous of reversion to handicraft principles or Village Industries, in the belief that with so many millions on the border line of starvation, it is better to divide the total amount of wage that can be earned over the maximum number of people, on the principle that even a quarter of a loaf is better than none at all.

The capable and patriotic body of Indian Industrialists who recently visited Great Britain and the United States, state in their report that they have returned "more than ever convinced that only by means of a large-scale industrialisation, backed by massive scientific research and education, can India hope to emerge from her poverty and distress and rapidly build up the high standard of living to which her people are entitled." It is the section of Industry, organised on the best Western model, but with modifications adopted to suit conditions in India, to which my remarks apply though they must also form a basis for the other two systems of industrialisation which I am sure will be developed in this country. One system is the extreme opposite of the Western method and would apply to the general run of Village Industries conducted with craftsmanship and operating as much as possible under the aegis of Government by means of Cooperative Societies and the Industries Department. The other class contemplated would be an intermediate class between the above two extremes in which the Government felt that it would be better for the country as a whole to have a partially inefficient industry in terms of man power-hours as being preferable to unemployment.

My discussion will be on the Cotton Textile Industry, and to illustrate the three classes outlined

above I cite two cases in each grade as a guide to the above allocation.

**I. Highly Organised Industry :**

- (a) Cotton Spinning and Weaving Mills with the latest Automatic and semi-Automatic machinery installed, with the minimum of workers, maximum of pay and the healthiest of working conditions.
- (b) Large units containing the latest pattern of Bleaching, Dyeing, Finishing and Calico Printing machinery fully mechanised.

**II. Intermediate semi-Organised Industries :**

- (a) Cotton Spinning Machinery of Harendranath Ghosh's "Village Industry Cotton Spinning Plant" type with or without a domestic powerloom industry.
- (b) Small central units for Bleaching, Dyeing, Finishing and Calico Printing plants of the utilitarian type, i.e. Bleaching and Finishing Plant of the type originally developed in Ahmedabad, and the Japanese Pattern Machine Printing.

**III. Village Industries (State Organised and Co-operative) :**

- (a) Hand Spinning and/or Handloom Weaving
- (b) Dhoby Bleaching and Finishing, Hand Dyeing (with or without knot tying), and Screen, Spray or Block Printing.

I am a firm believer in the necessity of India having as many plants in operation of the first-named class, as can find suitable markets for their products. India must take the place of Japan in the markets of the East for such articles in which she has natural advantages, especially in large scale basic industries. It is with the bulk production of cotton yarn and cloth by the latest machinery to which my

remarks apply but the basic points apply to all Industrial Wages and should be considered seriously in connection with other organised Industries, no matter what type of organisation it may be based on.

If Indian Industry of the Western pattern is to succeed, it must do so on a basis that both the Consumer and Worker are protected as much or even more than Capital and Management. Consumers should be protected by a law or laws against the anti-social operation of Cartels for maintaining unduly high prices, by restraint or elimination of competition. The Worker should be protected by the foundation of a fair basis for the payment of wages, which provides for ample payment and good working conditions. The Wage to be built up on a guaranteed minimum wage with suitable incentives to both dotal and permanent employees, in which the following conditions among others are recognised :—

- (1) Labour is permitted the right to bargain so that wages co-relate to the capacity of the Industry to pay, the latter being dependent on the efficiency of equipment, labour and Management.
- (2) Labour retains the right to strike after due notice and the fulfilment of the law of the locality in relation to the rights of the notice, conciliation and arbitration.
- (3) The recognition that the Cost of Living is a function of the standard of living and that the latter is variable and must be expected to go progressively higher.

In order to secure correct details on which the amount and terms on which a wage rate may be standardised, I suggest the provision of Fact Finders trained to record nothing but facts. These facts should be collected and recorded on a basis of agreed-upon principles to determine the level at which wages and conditions of work should be set. In fixing the

basis, free negotiation and collective bargaining should be allowed full play as between employer and employee. The aim should be to make these trained Fact Finders an Agency solely employed to sift out for the public an objective record on which adjudication and/or negotiation by duly constituted Authorities would have the backing of the public as representing the consumer.

An Appeal Committee, selected by the State and representing State, Employer, Employee and Management, should be constituted, on which the State would represent the interests of the consumer and probably the interests of semi-organised and/or unorganised workers. There should also be a separate Court of Appeal to deal with any case of dispute on the reports of individual Fact Finders to which either party had taken objection, and should consist at least of a representative of the Legal Profession and a highly qualified Time Motion Study Expert.

I strongly deprecate any attempt to constitute Fact Finding Boards of the type the U. S. A. Government have attempted to use recently. These Boards, appointed by Government Departments, consisting of a majority of persons administering Government Wage policies and depending almost entirely upon Government for technical assistance, merely serve as a means of implementing and enforcing Government Wage policies.

The Divatia Report deals with the Standardisation and Regulation of Wages in pages 102 et seq. of their report, and I quote below the basis on which they consider Industrial Wages should be built up, as it is necessary to know the structure of Industrial Wages as a preliminary to dealing with the regulation of same :

- " 1 The establishment for one locality of that wage level which represents at the moment an equitable basis between capital and labour.

2. The establishment of locality differentials.
3. The analysis of occupational differentials relative to each other.
4. The analysis of normal productivity to be returned by labour in each occupation. ”

Representatives of employers, employees and the State, trained as Fact Finders on a common agreed basis, should be associated in obtaining and compiling records of pertinent facts coming under the above four divisions on which wage rates and conditions of work are to be fixed, and in the event of disputes at a later date, these same Fact Finders should be associated in providing adjudicators with up-to-date recorded facts relative to the dispute under consideration. By this method we not only have a means whereby a standard scheme of wages can be established on an agreed basis of facts by free negotiation of the parties concerned, but we also have a means whereby strikes may be avoided. A period should be provided as a “cooling off” period for both sides and should be legally defined and limited. Conciliation and Arbitration should then be a question of following legislation of the type of the Bombay Industrial Disputes Act of 1938.

The point I definitely wish to make is that the first essential of any scheme for an agreed basis of wages and the regulation of same afterwards, is the collection of facts to assure a square deal to all the parties concerned by making the basis on which payments are made accurate and fair. In any scheme of education, whether Technical or Commercial, the provision of a section to train students as Fact Finders should be provided. The Business Training Sections of Harvard University should provide a good basis, and possibly it might be worth while for the Committee recently appointed to consider the establishment of the equivalent of a Massachusetts Institute of Technology in India to examine this problem. Alter.

natively, it might be one of the subjects to be taught by the Tata Institute of Social Sciences, now doing some excellent work in Bombay City.

The next point is that such wages and conditions of work should be standardised throughout the country so that in the same locality the same level of wage is paid for the same amount and type of work. A common standardised wage for each Industry in the whole of India is desirable. This does not mean that the same wage should be paid, but I do feel that the conditions of work, other than level of wage, should be standard throughout the country. The establishment of a local differential as wage adjustment could be made by agreeing to a percentage payment of the Standard Lists. Depending on the basis on which the List is compiled, we should have one district with a high cost of living paying, say, List plus Twenty percent, and another district with cheaper costs of living on a List minus, say, Thirty percent basis.

Having now arrived at a position where the facts are collected, it would be advisable to lay down some details as to the needs in compiling such standardised Wage Lists. For datal hands, it is usual to fix a minimum wage for the district for the lowest type of work involved and move up on the time rate as the quantity and quality of work demanded increases. This payment should include an incentive payment, and conditions for the use of incentives are discussed later in this note. My experience is that incentives are desirable if linked up with a fair "loading" of the work called for from the worker. The general tendency in Industrial establishments is to link up as much of the labour to a piece-work system, although in India this has been overdone in places by the adoption of a contract basis inside a particular industry. I definitely condemn this system as generally unethical and anti-social. Another form of piece work I have met with elsewhere is the fixation of a quantity of work to be done over a given period at an agreed rate, and

on the completion of the allotted and agreed job the worker was free to leave his work. This is little known in India at present, and the system I would like to discuss is the usual one whereby a straight-out basis of piece-work is paid including incentives of one form or another. The basis of any good piece-work system should be so simple and workable as to be easily understood, provide a reward commensurate with the labour, skill, effort, risk and responsibilities involved, and ensure a fair wage in relation to the general level of wages in the district. It should be as equitable as possible between employer and employee, employer and employee and employee and employee. It should surmount the evil of a piece-worker being penalised for Management faults, such as electrical and/or mechanical breakdowns, material-supply-delays etc; in other words, for time lost through causes beyond the workers' control. Equally it should provide a stimulus to the employer to provide and improve working conditions and modernise plant. It should provide an incentive, and such incentives should be easily capable of calculation and understanding by the worker. Any scheme should provide for the correct training of, and payment during this training period to, new operatives. It should be so framed as to provide a task well within the reasonable capacity of the worker including elderly persons. The latter cannot normally be expected to maintain the output of workers in the prime of health, but the scheme of wage plus incentive should provide for their full reward. This is in reverse to the present system where age only too often results in dismissal. It is obvious that the system should be capable of easy analysis for cost control purposes, and not prohibitive in cost for clerical and executive staff. It should, if possible, have mandatory and not permissive legal sanction behind it.

To protect the worker against loss of wages by causes beyond his control, a piece-work schedule

should provide a minimum guaranteed wage or "Fall-Back Pay". This wage should however be related to the work load and capacity factors and should be worked out in the form of a simple table which would vary from community to community in quantity only. It might be argued that regardless of the workers' load they should all receive extra money, but this is offset by the fact that an underloaded worker can more easily obtain the extra piece work money over and above the minimum than a fully loaded worker can, and he is therefore not entitled to the full amount of extra money. Thus, in effect, both worker and employer should share the responsibility and loss inherent in underloading of the worker. By the Fact Finder correctly assessing the quantum of labour to be performed so that the worker is neither underloaded nor overloaded, an Industry will be efficient and capable of paying much higher wages than normal. Let us take the Power Loom Cotton Weaving Industry as an example. In compiling a standard Piece-work Wage Schedule, we should first of all provide say 50% of the expected wage as a Minimum Wage, and assured on a datal basis. The figure of 50% is not a fixture—it might vary from 40% to 75% according to circumstances—if too low it would perhaps not effectively protect the weaver against stoppage caused by events beyond his control; if fixed too high it would do away with any incentive, possibly become in effect a system of datal payment.

The work efforts involved should not be thought of in terms of the number of looms tended. A two-loom weaver on wide looms with direct weft, weak yarn, poor and little or no assistance, will certainly be doing more work than a five or six loom weaver on narrow looms, with good yarn, rewound weft and auxiliary labour provided. Our first requirement is therefore to assess the actual work load with the loom working to full capacity production. This varies from 40% for one loom operation in certain



centres to 100% operation in a very few cases for 6-loom weavers.

A Minimum Wage varying with the centre should be agreed upon, e.g.

Rs. 50 per month for 100% labour load,

Rs. 35 per month for 40% labour load,

and pro rata for intermediate points.

Since the Minimum Wage would be on the basis of the work load at maximum output, it follows that the extra wages should be paid for attaining this maximum production from the looms. In other words, we would pay the extra money on the basis of the actual production obtained in relation to the potential production as measured for the conditions given, the weaver. The ratio of these actual yards to the measured potential yards is what we call the Weaver's Capacity. As such we would pay extra money, above the minimum wage, on the basis of capacity only.

For example, the extra money would start at above 50% of capacity and maximum would be paid at 100% capacity as follows :—

50% Capacity	0	Extra money	
60 „ „	20 %	„	„
70 „ „	40 „	„	„
80 „ „	60 „	„	„
90 „ „	80 „	„	„
100 „ „	100 „	„	„

A suggested basis of payment capable of adjustment any way might then become :—

% Output capacity obtained by Weaver.	Work Load						
	40 p. c.	50 p. c.	60 p. c.	70%	80%	90%	100%
	Rs. 35	Rs. 37/8	Rs. 40	Rs. 42/8	Rs. 45	Rs. 47/8	Rs. 50
50 p.c							
55	+10 p.c.	+10 p.c.	+10 p.c.	+10%	+10%	+10%	+10%
60	" 20 "	" 20 "	20	20	" 20 "	20	20 "
65	" 30 "	" 30 "	30	" 30 "	" 30 "	30	30 "
70	" 40 "	" 40 "	40	" 40 "	" 40 "	40	40 "
75	" 50 "	" 50 "	50	" 50 "	" 50 "	50	50 "
80	" 60 "	" 60 "	60	" 60 "	" 60 "	60	60 "
85	" 70 "	" 70 "	70	" 70 "	" 70 "	70	70 "
90	" 80 "	" 80 "	80	" 80 "	" 80 "	80	80 "
95	" 90 "	" 90 "	90	" 90 "	" 90 "	90	90 "
100	" 100 "	" 100 "	" 100 "	" 100 "	" 100 "	100	" 100 "

The compilation of the above or similar List involves the following work by the Fact Finders :—

- (1) Measuring the Work Load.
- (2) Measuring the Yardage Potential.
- (3) Measuring the local Wage Level.

These measurements are known to be possible within a plus or minus of 50%. This system would necessitate measurement and adjustment Mill by Mill and involve a great deal of work. It would however be exact, simple and fair to everybody in addition to giving the maximum wage possible. It would penalise "underloaded" workers and poorly managed establishments, but would reward good workers and good management and prevent the overloading of workers. The system outlined above is regarded by many as ideal but too individual. The other system is a Universal Uniform Standardisation, and is dealt

with very fully in the Divatia Report. This suggested Standard List has followed the "Uniform List" developed in Lancashire, but it can be improved by the incorporation of the Minimum Wage system already referred to. The writer has used a variation of this system without the Minimum Wage provision with very satisfactory results over a number of years. With the provision of the Minimum Wage clause, it would represent a big advance on existing conditions and might easily form the basis of a scheme for All-India Standardisation. There are many other systems of wage payments for weavers in existence, but all that I have studied can be ruled out as unsatisfactory in one form or another except the two named above or a third system now under experiment, which is a compromise between these two systems but with more variation developed owing to the necessity of departing from fixing rates for individual conditions to enable a Universal List to be compiled. It is based on the use of certain Factors such as have been used by the Textile Control Board in fixing Ceiling Prices for Cloth, but details of various suggested Standardised Lists on all three suggestions must await some future opportunity, but it is now becoming a live issue in view of the demand for standardisation. The demand is accompanied by a demand for the amalgamation of the whole or part of the Dear Food Allowances in the Basic Wage. The immediate needs of the moment therefore may be put down as :

- (a) The compilation of a fair, honest and standardised List of Wages, working conditions and work load.
- (b) Such a List should be in two sections : one, a minimum or fall-back datal wage, and the other a piecework or other incentive with the necessary protection to all concerned.
- (c) The incorporation of a portion of the Dear Food Allowances in compilation of (a)

and (b) in the process of which the lower paid workers would enter the living wage sections of the community.

- (d) The amendment of the Bombay Industrial Disputes Act to make it broader in the light of defects shown by experience. In spite of minor defects caused through hasty legislation and political "jockeying", it is a good Act and has proved very useful for the regulation of wages and working conditions and the reduction in the number of strikers.

To conclude, I am afraid that I have dealt with the constitution of the Industrial Wage in India and have only suggested regulation by a method I have used and found successful, viz. Conciliation and Arbitration under the Bombay Industrial Disputes Act of 1938. The prime essential for regulation is the provision of a sound wage system, and I have endeavoured to outline such a system. In the course of explaining the development necessary for such a system, I have outlined the vital points of same, and these same points should be taken into account in the Regulation of the Wage.

## CHAPTER V

# SIXTEEN YEARS OF INDIAN TRADE UNIONISM

*By K. Nagabhushanam and V. Narasimhamurty*

*Introduction :—*The Indian trade union movement is a product of the period immediately after the Great War of 1914-18, and owes its growth not a little to the impetus given by the activities connected with the International Labour Office. The tardy development of this movement in this country is ascribed to various political and social reasons, the chief of which are the migratory nature of labour in this country, their low wages, long hours of work, and conditions of poverty, lack of education, differences of language and race among the workers.

Continuous statistics regarding trade union movement in India were almost non-existent until the Trade Unions Act, 1926, was passed. This Act was a definite landmark in the history of the progress of the movement in the country. Unions 'registered' under it are required to furnish annually details regarding their membership, financial position, etc., to the Registrars of Trade Unions appointed in the provinces. The object of this paper is to study this movement during the period of 16 years between 1927-28 and 1942-43.

In drawing inferences from the statistics quoted here, the following shortcomings must be borne in mind : (i) In the first place these statistics relate only to trade unions which are registered under the Indian Trade Unions Act, 1926, and which furnish returns prescribed therein. Since registration and consequently the submission of returns is not compulsory, there are still a number of unions which are

unregistered, and the statistics do not furnish a complete picture of the trade union movement in the country. (ii) The statistics even in regard to registered trade unions are incomplete and defective. Some unions fail to send returns required under the Act and the proportion of such unions (which is increasing year by year) can be found from Table I. During 1941.42 nearly 40 p.c. of the registered unions failed to submit returns while during 1927.28 it was only 3.5 p. c. (iii) Complete reliance cannot be placed on the reported membership, because in many cases the effective membership is far smaller than the recorded membership due to the retaining on register of the names of members who have practically ceased to be its members. (iv) The figures of income and expenditure are far from being accurate.

*General Progress* :--Subject to the limitations pointed out above, Table I gives the progress of the trade union movement in India between 1927.28, the first complete year after the Act came into force and 1942.43, the latest year for which figures are available. It will be seen that the number of unions increased to nearly 23 times that of the first year and the number submitting returns is only about 17 times. The rate of increase was greatest during the triennium 1937.38 to 1939.40. The total membership increased to about seven times during 1927.43 thus bringing down the average membership per union from over three thousand in 1927.28 to over one thousand in 1942.43. At the same time the average income per member increased from Rs. 1.63 to Rs. 2.3. The number of women members increased from a little over one thousand in 1927.28, to about 26 thousand in 1942.43. As the strength of the new unions being registered year after year is naturally small, the average membership per union has been continuously decreasing. It is however encouraging to find that

the average income per member has been increasing. But it will be seen later that the membership is unevenly spread, being concentrated in a few big unions. This renders a very large number of smaller unions inefficient as they are unable to give any special benefits for their members for want of resources. (An important point to be noted here is the fact that the bulk of the members is illiterate. So the routine and clerical part of the work of a large number of the unions has to be carried out by outsiders on an honorary basis.)

*Progress in Different Industries:*—We may now proceed to a detailed study of the progress of the movement with reference to the different industries. Table II gives the number of unions and the index number of membership in the different industries. (For convenience, the membership numbers are converted into relative figures, with the figures of 1936-37 as the base; and the actual number of membership during this base year is also given in the same table). The year 1936-37 is important in two respects. It synchronised with upward movement from depression in the trade cycle. Further till the end of this year, labour was included in the 'reserved' subjects according to the Montford Reforms, and for the first time it came under elected ministers under the new Constitution in 1937-38. For these two special reasons, the year 1936-37 is a convenient dividing line and forms a significant base year for comparing the conditions in both the periods on either side of it.

As Table II shows, the membership of unions in the railways group increased more than four-fold during the period from about 48% of the base period in 1927-28 to 212% in 1942-43. The triennium 1927-28 to 1929-30 records rapid increase followed by a four-year period of retrocession during the great depression, when there was a good deal of retrench-

ment in the railways. The revival started from 1934.35 and but for the setbacks in the two years 1936.37 and 1938.39, there was a continuous progress in this section. In the textiles group, in the beginning, the membership was fairly steady except for the sudden spurt in 1931.32, but after 1937.38 the increase was very high, bringing the membership in 1942.43 to more than five times that of the base year and about nine times that of the starting year. The membership in the engineering group was fairly high in 1928.29; and the failure of the general strike in Jamshedpur in that year dealt a severe blow to the labour organisation in this industry as this has been the chief centre for this industry. It has taken 14 years to regain its original strength, the membership in 1942.43 standing at a slightly higher level than that in 1928.29. Starting from very small beginnings the trade union movement in the printing press expanded gradually till 1939.40, when the membership was more than double that of the base year; afterwards there was a setback, presumably due to the difficulties faced by the industry during the war. There were several ups and downs in the membership of seamen's unions, while docks and ports recorded more or less a steady rise, and in both the present membership is about treble that of the base year. The miscellaneous group again recorded a steady growth from very small beginnings; and during the war period the membership in this group has made headway notwithstanding the fluctuations. On the whole we find that the movement is very strong in the transport industries connected with railways and shipping and in the textiles and in the engineering industry it has now returned to its original strength of 1928.29.

*Progress in Different Provinces:*—Turning our attention to the different provinces, we find from table III that in the first year of our present survey, trade union membership was the highest



TABLE I

Number, Membership and Finance of Trade Unions  
for the Period 1927-28 to 1942-43.

	Year	No. of Regd. Trade Unions	No. of Regd. Unions submitting returns	Percentage of Unions failing to submit returns	Total membership in ('000)	Average membership in ('000)	Women members	Total income in Rs. ('000)	Average income of the Union per member
									Rs. a. p.
1	1927-28	29	28	3 5%	101	3'61	1,166	164	1 10 1
2	1928-29	75	65	13'0 ..	181	2'78	3,842	317	1 12 0
3	1929-30	104	90	13'5 ..	242	2'69	3,299	433	1 13 7
4	1930-31	119	106	11'0 ..	219	2'07	3,151	407	1 13 8
5	1931-32	131	121	7'5 ..	236	1'95	3,454	473	2 5 1
6	1932-33	170	147	3'5 ..	237	1'62	5,090	557	2 5 6
7	1933-34	191	160	16'0 ..	208	1'30	2,999	503	2 6 8
8	1934-35	213	183	14'0 ..	285	1'56	4,837	529	1 13 8
9	1935-36	241	205	15'0 ..	268	1'31	7,09	529	2 2 9
10	1936-37	271	228	15'9 ..	261	1'15	9,025	488	1 13 11
11	1937-38	420	343	18'3 ..	390	1'14	4,703	693	1 12 5
12	1938-39	562	394	30'0 ..	399	1'01	10,945	890	2 3 8
13	1939-40	666	450	32'4 ..	511	1'13	18,612	1,122	2 3 1
14	1940-41	727	483	33'6 ..	514	1'07	19,417	1,213	2 5 9
15	1941-42	747	455	39'0 ..	574	1'26	17,094	1,767	3 1 4
16	1942-43	693	489	29'4 ..	685	1'40	25,972	1,597	2 5 3

\*Statement showing number of Trade Un

Province	1927-28		1928-29	
	No. of Unions	Index No.	No. of Unions	Index No.
	1	2	1	2
Bombay (including Sind)	...	86'4	...	8
Bengal	...	23	...	4
Madras	...	50'2	...	8
Punjab	...	12'3	...	3
U. P.	...	30'9	...	12
Bihar (including Orissa)	...	150'8	...	24
C. P.	...	34'8	...	4
Ajmer-Merwara	...	...	...	...

r, by provinces for the years from 1927.28 to 1942.43

1939-40		1940-41		1941-42		1942-43	
				No. of Unions	Index No.		
1	2	1	2	1	2	1	2
	186'9		218'7		231'4		229'7
78		85		92		97	
	141'7		120'0		203'3		256'6
134		139		133		147	
	373'9		282'1		225'7		260'1
83		80		76		86	
	23'6		14'4		15 3		26'7
27		15		15		23	
	156'8		146'4		173 5		208'2
24		29		28		27	
	83'6		181'0		65'0		112'2
13		22		19		14	
	188'4		281'4		391'0		479'7
31		38		38		35	
	410'1		33'2		27'6		567'2

in Bombay followed by Bihar\* and then Madras in the order of membership. Though the leading industrial province, namely Bengal, was lagging behind in trade union membership in the beginning, it progressed rapidly, taking the first place from Bombay in 1931-32, which it maintained since that year except for 1940-41. The movement in Bihar collapsed in 1929-30 and has not come back to its original strength ; further it marked wide fluctuations from year to year. The movement is very weak in the Punjab also, due perhaps to its backwardness in large scale industries. All other provinces made fairly good progress specially after 1936-37. In these six years the membership more than doubled itself in Bombay, Bengal, Madras and U.P., increased nearly fivefold in C.P. and became slightly less than double in Delhi. The movement in Ajmere-Merwara has shown hectic spurts in 1939-40 and 1942-43. The movement is practically non-existent in Assam and N. W. F. P. The fluctuations of the membership in Bombay during 1935-43 moved sympathetically with those in the textile industry, and it is due to the fact that textiles is the predominating industry in that province. In U.P. though the membership spurted up in 1937-38, there was a setback in the subsequent year and gradual recovery later. In the year 1942-43 membership was highest in Bengal followed by Bombay, the two important industrial provinces, and Madras was a poor third. The membership in other provinces is still smaller. It should be remembered that the membership of a large number of unions whose jurisdiction extends over more than one province is not assigned to the respective provinces but is assigned to that province in which the headquarters is situated. Such unions belong mainly to railways ; and their membership is distributed over several provinces through which the particular railway extends.

\* For purposes of comparability figures of Sind are added to those of Bombay and of Orissa to Bihar.

*Concentration of Membership* :—From table IV we notice that throughout the period under consideration except 1929.30, 100.300 was the 'model' class for the trade union membership, (i.e. the frequency of unions of this size was highest), but from year to year the number of small unions with a membership of less than 50 has been increasing. In the first three years more than 80% of the membership was confined to unions having more than 2,000 members each. Between the years 1932.33 and 1936.37, the membership in these unions came down to about 78%, and in later years to 72%. At present half the number of trade unions have a membership of less than 300; and about a third of the trade unions have a membership between 100 and 300. As has already been pointed out, the small unions are growing into bigger ones with time. But the continued existence of very small unions is a source of weakness for the trade union movement. If these small unions in a particular industry or region are brought together into larger federations, they may keep their individuality and at the same time enjoy the benefit of the larger bodies.

In order to compare the degrees of concentration of the membership of unions for each year we must have some statistical measure of this concept. This requires two quantities, viz., (1) the percentage of membership in each size to the total membership during that year, and (ii) the percentage of unions in each size to the total number of unions during that year. The ratio of these two quantities, which is called the 'concentration factor' would give an idea of the relative importance of the different sizes for the particular year. The different sizes are arranged according to the descending order of the 'concentration factor', and then the two variables are aggregated. From graph of these sets of values, viz., the well-known Lorenzo Curve, "Coefficient of Concentration" has been found for each of the years.

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As h.	1.3	1.3	1.1	1.0
are g				
conti	0.6	0.6	0.6	0.5
weak	0.4	0.3	0.3	0.3
smal				
brou	0.2	0.2	0.2	0.1
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the	0.06	0.07	0.07	0.06
I	0.03	0.02	0.03	0.02

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TABLE VI

Table Giving 'Concentration Factors' Obtained  
from the Graphs for Each Year

Year	"Coefficient of Concentration"
1929-30	0·768
1930-31	0·769
1931-32	0·764
1932-33	0·798
1933-34	0·767
1934-35	0·824
1935-36	0·789
1936-37	0·769
1937-38	0·801
1938-39	0·746
1939-40	0·798
1940-41	0·797
1941-42	0·767
1942-43	0·771
1938-U. K.	0·912



TABLE VII

In the following table the Unions in United Kingdom are grouped according to their total membership at the end of 1938.

Number of members	No. of Unions	Total membership	PERCENTAGE OF	
			Total No. of all Unions	Total membership of all Unions
1,00,000 or more	12	29,64,000	1.2	49.0
50,000 and under 1,00,000	12	8,80,000	1.2	14.5
25,000 and under 50,000	15	5,47,000	1.5	9.0
15,000 and under 25,000	12	3,96,000	2.0	6.5
10,000 and under 15,000	21	2,58,000	2.0	4.2
5,000 and under 10,000	59	4,16,000	5.8	6.9
2,500 and under 5,000	75	2,63,000	7.3	4.4
1,000 and under 2,500	115	1,80,000	11.3	3.0
500 and under 1,000	98	67,000	9.6	1.1
100 and under 500	287	71,000	28.1	1.2
Under 100	306	14,000	30.0	0.2
TOTALS	1,021	60,54,000	100.0	100.0

Table V gives the "Concentration Factors" of each size in every year. They are in the same descending order as the sizes of unions. Table VI gives the "Coefficients of Concentration".

*Interpretation of the Nearly Constant Value for the Concentration Coefficient:—*A striking feature here is that the "coefficient" has remained much the same throughout this period of 16 years. *It can be interpreted as the absence of relative changes in the structure with reference to membership.* As new unions have been coming into the fold, older ones were expanding their membership, and thus the relative importance of the unions of different sizes is maintained. Thus while generally the trade union movement has made some steady progress, the relative structure of the unions in respect of number, size, and membership has remained almost the same; *and this is likely to continue during the period of growth of the movement, till the average is very high.*

In this connection it may be of interest to examine the concentration of membership in a veteran country of trade union movement, *viz.*, United Kingdom. Table VII is extracted from Labour Gazette, 1939.40, Vol. 19.

It will be seen that, while the number of unions with a membership of under 1,000 was 691, or nearly 68% of the total number, such unions accounted for only 2.5% of the total membership of all unions. On the other hand, there were 39 unions each with a membership of 25,000 or over, whose aggregate membership amounted to more than 72% of the total for all unions. Nearly one-half of the total membership was concentrated in the 12 largest unions. *The higher coefficient of concentration viz. 12.90, in this case also can be explained by the age of the movement and the growth of strong unions with nationwide membership.* In U. K. trade unions are mostly organised industry-wise, and the few big important industries absorb the largest number of members.

# CHAPTER VI

## LABOUR CONCILIATION AND ARBITRATION IN INDIA

By N. S. Pardasani

### I

Conciliation and Arbitration are two recognised methods of State intervention to secure a peaceful settlement of industrial disputes. While conciliation is a process by which the representatives of the workmen and employers are brought together before a third person, or group of persons, with a view to persuading them to come to an agreement among themselves, arbitration is a means of securing a definite judgment or award on any controversial issue by referring it to a third party. Both these methods can be either voluntary or compulsory, in the sense that the State laws may provide for a compulsory reference to conciliation or arbitration of certain types of disputes, or may only offer facilities for such submission by prescribing the general conditions and establishing a suitable machinery for the conduct of such proceedings. Such machinery may again be either permanent or *ad hoc*, general or specialised.

With the advent of large-scale production the scope and intensity of industrial disputes has been steadily on the increase. The frequency with which they recur and the grave industrial and social dislocation which they cause, have led to the importance of preserving industrial peace. Strikes and lock-outs, however defensible they may be in the context of particular disputes, are, from the wider social point of view, undoubtedly wasteful methods of securing desirable changes. The aim of any enlightened labour policy

must, therefore, be to minimise the need for such forms of industrial warfare. The total loss resulting from industrial dislocations cannot be calculated merely in terms of wages and profits foregone, or production curtailed, but must also include the inconvenience incurred by, and sometimes misery and suffering imposed on, the community in general. This is specially so in the case of dispute affecting public utilities or essential services like transport, electric and gas supply, sanitation and conservancy. But the worst sufferers in this process are usually the workers themselves, for not only is the proportion of successful strikes small, but the distress caused among labour is, in many cases, out of all proportion to the gains ultimately secured.

And yet, exclusive reliance on peaceful settlement of disputes is not welcomed by the working classes. This is so partly because of their initial distrust of the State and its machinery which have, for long, been identified with the interests of the propertied classes, partly again because of the poor organisation of labour, which puts it at a serious disadvantage in the presentation of its case in a systematic manner, but mainly because of their reluctance to forego the use of their new, and perhaps the only, weapon of strikes. The initiative and enthusiasm for evolving compulsory methods of peaceful settlement have, therefore, usually come from the employer class or from their supporters in Government, who also find in it an opportunity to secure national solidarity for achieving other political ends. But, in most countries now, labour itself has recognised the need for State intervention in preventing or settling disputes. The trend of legislation in other countries bears testimony to the increasingly active part played by the State, a tendency which has been naturally reinforced in the periods of emergency created by the two world wars. The important question for decision in the near future is, therefore, not the advisability of conciliation or arbitration but the definition of the exact

scope and a study of the comparative merits of different forms of peaceful settlement, with a view to securing their most efficient functioning.

## II

In India due to the comparatively recent and slow growth of large-scale industries, the proportion of workers engaged in factories to the total working population is still small. But the concentration of industry in a few big towns and the growth of working class consciousness the world over due to the influence of the socialist doctrine and the foreign contacts established mainly through the International Labour Organisation, have brought the question of industrial relations in the forefront. This is so in spite of the fact that the trade unionism in this country is barely a quarter of a century old. In fact, it was the problem relating to wages and employment raised during and after the first world war of 1914-18 that gave rise to trade unions and widespread strike activity. These again found fresh sources of encouragement during the Great Depression of the thirties. The recent world war of 1939-45 created a number of problems which, in spite of the anxiety shown by Government to keep labour contented, have led to a considerable increase in the number, membership and working funds of the unions. The strike activity, pronounced as it has been, is likely to gather force in the immediate future. It is already becoming clear that organised labour will play an effective role in the settlement of the impending problems some of which have been created or aggravated by the policy pursued during the war. If care is not taken to devise the most efficient methods of securing peaceful settlement, industrial strife may, for a long time, hamper the progress of the country and even paralyse certain parts of our economic activity for some time.

The history of industrial disputes legislation in India is very recent, as the Government preferred to

follow a formal policy of *Laissez Faire* which in the absence of any trade union Movement suited the capitalists admirably. Before the passing of the Indian Trade Unions Act, 1926, trade unions were not recognised and later when they were, the disturbed political conditions in the country and the association of some political leaders with the movement often led to the suppression of union activity in the name of the preservation of law and order. Only in a few cases Provincial Governments appointed Strike Committees to conduct a sort of *post mortem* of the strikes, which often had some vague moral for the future but did precious little to prevent the industrial dislocation and its consequences for the workers. The strikes conducted during this period were largely unsuccessful due obviously to the weak position of the unions. Though formally recognised after 1926, they suffered from several handicaps which prevented them from offering a vigorous and sustained opposition to the employers who were already well organised. The migratory and heterogeneous character of a large section of industrial labour and their illiteracy and poverty made for internal weakness, while external difficulties came from the employees who often refused to recognise the unions formed except on their own terms, victimized the leaders directly or otherwise, started or encouraged the starting of rival unions under their own patronage and adopted several other devices which are always open to those who have superiority in knowledge, social position and funds.

### III

The first step towards State intervention to secure peaceful settlement of labour disputes came with the passing of the Trade Disputes Act of 1929 which, with its subsequent amendment in 1938 and the issue of Rule 81.A under the Defence of India Act in January 1942, still constitutes the law for the whole country. The chief provisions of the Act of 1929

may be briefly noted. It provides for *voluntary conciliation* by laying down that if any trade dispute exists or is apprehended, the Provincial Government, or where the employer concerned is the head of the department under the control of the Central Government or is the Federal Railway Authority or a railway company operating a Federal Railway, the Central Government may refer any matters connected with the dispute to a Court of Inquiry or refer the dispute to a Board of Conciliation for promoting a settlement thereof. Where, however, both parties to the dispute apply for such reference to a Court or Board and the appointing authority is satisfied that the persons applying represent the majority of each party, a Court or a Board, as the case may be, shall be appointed accordingly. The Court of Enquiry consists of one independent person or of an independent Chairman and such independent persons, as the appointing authority thinks fit. The Court is to enquire into the matters referred to it and report thereon to the appointing authority. The Board of Conciliation consists of one independent person or of a Chairman and two or four other members, as the appointing authority thinks fit. Where the Board consists of more than one person, the Chairman shall be an independent person and other members shall be either independent persons or persons appointed in equal number to represent the parties to the dispute, all persons appointed to represent any party shall be appointed on the recommendation of that party. It is the duty of the Board to endeavour to bring about a settlement of the dispute referred to it and in doing so may do all such things as it thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement of the dispute. If a settlement is arrived at by the parties, a memorandum of settlement is submitted to the appointing authority, and if no settlement is reached, the Board sends a full report of the proceedings, facts, circumstances together with its own

findings and recommendations for the determination of the dispute, to the appointing authority which is obliged to publish the reports of the Court of Inquiry and Board of Conciliation.

In addition to these provisions for settling disputes, the Act prohibited certain types of strikes and lock-outs. It laid down that any person going on a strike or declaring a lock-out in any of the public utility services (the railway service, postal telegraph and telephone service, undertakings which supplied light or water to the public and any system of public conservancy or sanitation)\* without giving fourteen days notice to the other party, within one month of such strike or lock-out, would be punishable with fine and imprisonment. Again, it declared illegal strikes or lock-outs which had any object other than the furtherance of a trade dispute within the trade or industry in which the strikers or employers locking out were engaged and which were designed or calculated to inflict severe hardship upon the community and thereby to compel any Government in British India, the Federal Railway Authority or the Crown Representative to take or abstain from taking any particular course of action. Thus lightning strikes and lock-outs in public utilities and sympathetic or political strikes and lock-outs were prohibited.

The provisions of the Act of 1929 relating to conciliation, though well-conceived, were unfortunately not utilised to any appreciable extent. The Central and the Provincial Governments who were given the initiative and discretion in settling the machinery in motion took several years to frame the necessary rules, so that even when conciliation was desired by the parties, the authorities were often not ready to offer the necessary facilities quickly enough. As the conciliation machinery provided under the Act was of an *ad hoc* nature, it offered

\* To these were added water-transport, tramways and supply of power by the Trade Disputes (Amendment) Act of 1938.



excellent opportunities to the Central and Provincial Governments to exercise their discretion in favour of inaction or inordinate delay. A lead in the opposite direction was, however, given by Bombay province where the Trade Disputes Conciliation Act, 1934, provided for a regular conciliation staff consisting of the Commissioner of Labour who was to be the Chief Conciliator *ex.officio*, and Assistant Conciliators and Special Conciliators. It also provided for the appointment of a Labour Officer "to watch the interests of workmen with a view to promote harmonious relations between employers and workmen and to take steps to represent the grievances of workmen to employers for the purpose of obtaining their redress". The Conciliators were empowered, either on an application made by both parties to a dispute or on the report of a Labour Officer or upon his own knowledge or report, to ask the parties to the dispute to appear before him and to hold conciliation proceedings. For this purpose the Conciliators are given certain prescribed powers in addition to the powers vested in the Courts under the Code of Civil Procedure, 1908 in trying a suit in respect of the following matters, *viz* :—

- (a) Summoning and enforcing the attendance of any person and examining him on oath ;
- (b) Compelling the production of documents and material objects ; and
- (c) Issuing commissions for the examination of witnesses.

The Centre and the other provinces were, however, slow to act on these lines. In 1937, the Government of India, in pursuance of the provisions of the Act of 1929, decided to set up a conciliation machinery for the prevention of disputes and the promotion of cordial relations between the Railway Administration and the labour engaged in railways. The Trade Disputes (Amendment) Act of 1938 empowered

the Central Government in respect of undertakings carried on by them or under their authority or by a railway company, and the Provincial Governments in respect of undertakings within their Province, to appoint Conciliation Officers, charged with the duty of mediating in or promoting the settlement of trade disputes. Since 1945, a Chief Commissioner of Labour and Regional Commissioners, of Labour have been appointed to do conciliation work in industries or occupations which come under the control of the Central Government.

#### IV

An important step was taken by Bombay province when by passing the Bombay Industrial Disputes Act of 1938, it introduced the principle of *compulsory conciliation* of all disputes except those which the parties had agreed to submit to *arbitration*. The Act provided for an elaborate conciliation machinery, official and non-official; prescribed in detail the conciliation procedure; laid down the manner in which labour was to be represented at such proceedings through the unions; specified the status and rights of different types of unions; declared strikes and lock-outs before the commencement or completion of such proceedings illegal; and provided for the establishment of a Court of Industrial Arbitration. The Court, consisting of persons of the highest judicial qualifications, was given the important function of interpreting the provisions of the Act, of finally settling the standing orders relating to the conditions of work, and of acting as arbitrator in matters in which the parties had not agreed to submit their dispute to any other party. The prominent features of the Act attracted attention throughout the country as the measure broke new ground in India and was much in advance of the All-India legislation. It was adopted as a model for similar legislation in some other provinces two of which—United Provinces and Madras—had drafted measures ready though they could

not see them through owing to the resignation of the Congress Ministries in 1939. The Act was, however, vehemently opposed by several labour leaders during its passage in the provincial legislature and outside on various grounds many of which raise questions of principle and are, therefore, likely to come up for discussion in any attempt to reconsider trade dispute legislation for other parts of the country.

The *first* and the most important objection against the Act was the basic one which questioned the advisability of introducing the principle of compulsory conciliation. It was argued that conciliation by its very nature was voluntary, and that any compulsion of parties in this respect would be undesirable, specially when the principle of voluntary conciliation embodied in the Trade Disputes Act of 1929 had been scarcely availed of. It was also feared that as labour was not yet sufficiently organised to hold out, or even to present its case in a systematic manner, the final outcome of conciliation by State officials might often go against it, thereby leading to the perpetuation of the present exploited condition of the workers. *Secondly*, the Act was opposed on the ground that since during the pendency of the conciliation proceedings strikes (and lock-outs) would be illegal, this would take away from the workers about the only weapon they possessed in their struggle against the employer. It was felt that the postponement of strikes would lead to a cooling down of the enthusiasm of labour, thereby increasing the difficulties of organising a successful strike. The further restriction that strikes had to be declared within two months of the completion of conciliation proceedings was also regarded as a hardship for labour. That similar restrictions were imposed on lock-outs was not treated as a material consideration since, in any case, lock-outs were rare as the employers had the upper hand in the control of industry and did not have to resort to these methods of warfare. It was

## LABOUR CONCILIATION AND ARBITRATION

labour that had to fight. *Thirdly*, the provisions regarding the organisation and status of trade unions were regarded as likely to weaken the labour movement by causing a split in the workers' ranks. The rather elaborate provisions making for three kinds of unions, Qualified, Registered and Representative, the power given to a union with a larger membership to apply for the cancellation of the registration of another, though it itself may not be entitled to registration, the grant of the status of a registered union to one with only 5 p. c. membership if "recognised" by the employer but with not less than 25 p. c. (50 p. c. in the original draft) if not "recognised" by the employer, etc., were bitterly resented by several persons who were intimately connected with the organisation of labour. The official character of the conciliation machinery, the heavy penalties prescribed for those involved in illegal strikes and other minor provisions were also criticised from the workers' viewpoint.

It was, however, obvious to any impartial student of industrial relations that the defects of the Bombay Industrial Disputes Act, 1938, were unduly magnified for political reasons and that the other side of the shield was, unfortunately, missed even by those whose concern for the good of the working classes was above suspicion.\* The working of the Act has also shown that whatever may be the limitation of the measure, the objection raised against it were, except in one respect, largely misconceived. Though the provisions of the Act have been applied only to a limited field—the cotton textile, silk and woollen industries in Bombay Province—and tested in an abnormal period dominated by war, it cannot be disputed that its basic principles have been found to be salutary. It is in the part relating to the organisation of unions that the criticism of the Act has been partly justified. Even in 1938 no satisfactory

\* For a detailed study of the provisions and a critical estimate of the Bombay Industrial Disputes Act, 1938, see the author's paper in the *Indian Journal of Economics*, July 1940.

explanation was offered for the undue importance given to the employers in the "recognition" of unions or for the prescription of as large a percentage as 25 for non-recognised unions to get registration. It must, however, be mentioned that the fear of "company unions" dominating the movement, has not materialised ; but it has been realised that 25 p. c. is too high a figure to be reached and correction is now being sought of this and other points by suitable amendment of the Act. The period of two months allowed for declaration of strikes after the completion of conciliation proceedings could also be extended under certain conditions, without defeating the objects of the Act. An All-India measure providing for compulsory recognition of trade unions by the employer, if they satisfy certain statutory conditions interpreted by an impartial Board of Recognition, has been before the Central Legislature since 1943 and will remove one of the objections against the Bombay Industrial Disputes Act of 1938. The working of the Act has also disclosed the need for expediting conciliation proceedings and for establishing Labour Courts for taking over a large volume of comparatively less important work, connected with the redress of individual grievances arising out of the interpretation of law and agreements, leaving the Industrial Court to exercise primarily appellate jurisdiction and to do arbitration work. An amendment of the Bombay Act of 1938 is in active preparation by the recently reinstated popular Ministry and may, by removing the defects of the original measure, make it a model for the country as a whole.

There are still a few who oppose compulsory conciliation in principle. But it must be remembered that, after all, compulsory conciliation, with its incidental prohibition of strikes and lock-outs before the commencement or completion of conciliation proceedings, only amounts to exploration of the possibilities of a peaceful settlement and, to that end, only postpones the right of labour to go on strike. To

say that *any* State interference regulating industrial relations or *any* legal limitation on the right to declare a strike is a deprivation of the essential rights of the worker is to confuse liberty with license. Postponement of strikes, until the possibilities of a compromise or understanding are examined, is an essential element in the creation of a suitable atmosphere for settlement of disputes and would, even otherwise, be desirable from the point of view of the workers. It would eliminate frivolous and premature strikes and conserve the energies of workers for fighting out issues which are really fundamental. This would raise the prestige of strikes, make for better organisation and greater public support and thus lead to a higher percentage of successful strikes.

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But, while the case for compulsory conciliation is thus clear, the same cannot be said for *compulsory arbitration* which entails the obligation on both parties to accept the award of the arbitrator, or for *compulsory adjudication* with the power given to Government to enforce the award of the adjudicator, as both these methods put the fate of labour entirely in the hands of such deciding authority. The achievement of social justice becomes wholly dependent upon the competence, sincerity and enlightenment of this authority which will naturally derive its complexion from the State. The workers cannot hope to achieve any radical change in their position and will, therefore, have to be satisfied with such minor changes as are acceptable to State officials. Compulsory arbitration or adjudication, unless used sparingly and with considerable caution, may amount to an unjustified State imposition and may pave the way for a complete negation of the principle of democracy. In times of national emergency like war, however, the State feels called upon to check any industrial dislocations which may hamper the effective mobilisation of resources for national defence, and therefore com-

pulsory arbitration or adjudication is often introduced.

In India the principle of compulsory arbitration was first introduced in Bombay when in May, 1941, the Bombay Industrial Disputes Act, 1938, was amended and provision was made (Section 49.A) for the Provincial Government to refer any dispute to the arbitration of the Industrial Court in any of the following circumstances, when :—

- (1) a serious outbreak of disorder or a dislocation of the peace is likely to occur ; or
- (2) serious or prolonged hardship to a large section of the community is likely to be caused by reason of the continuance of the industrial dispute ; or
- (3) the industry concerned is likely to be seriously affected and the prospects and scope for employment curtailed as a result of the continuance of the industrial dispute.

Though this amendment was carried during the war period, its scope was obviously not restricted to matters which were likely to affect directly the prosecution of the war ; it applied, however, only to the cotton textile, silk and woollen industries in Bombay province, to which the provisions of the Bombay Industrial Disputes Act, 1938, were applicable.

In January 1942, Rule 18.A of the Defence of India Act empowered the Central Government to refer any trade dispute for *conciliation* or *adjudication*, to prohibit strikes and lock-outs in connection with any trade dispute, to require employees and workmen to observe certain conditions and terms of employment for a given period, and to *enforce* the decision of any adjudicating authority. An Order passed under this Rule in March 1942 prevented any person in any undertaking from going on strike without giving 14 days' clear notice to the employers within

one month before striking and, if a dispute was referred for conciliation or adjudication, from going on strike until the expiry of two months after the conclusion of such a reference. These powers are, however, to be exercised only if in the opinion of the Central Government, it is necessary or expedient to do so for securing the defence of British India, the public safety, the maintenance of public order or the efficient prosecution of the war, or for maintaining supplies and services essential to the life of the community.

Thus, at one stroke, the Central Government assumed powers of referring disputes to compulsory conciliation or what amounted to compulsory arbitration (adjudication with power to Government to enforce the award) provided the dispute appeared to affect defence, public safety, etc. These powers have since been extended also to Provincial Governments. Hence, the significance of these provisions has been far-reaching. But, while adjudication under the Defence of India Rule is frankly a war measure, the compulsory arbitration provided for in Bombay is not so. Fortunately, it has so far been sparingly used and has not for that reason aroused any pronounced hostility. But once the difficulties of the transition period are over, the principles of compulsory arbitration or adjudication will be found inappropriate. They smack of the Fascist State which represents the extreme development of the doctrine of complete elimination of industrial warfare by conceding full authority to the Government, or an authority appointed by it to impose a settlement on capital and labour. The extension or even the retention of that principle, however defensible in the short run, will be ultimately disastrous. •

For a correct understanding of the issues involved in the adoption of different methods of peaceful settlement of industrial disputes, it is necessary to bear in mind that industrial peace in itself is only a



limited objective, the utility of which must be judged largely by the actual results which it yields in the terms of a steady improvement in the conditions of labour. In India a number of important issues likely to create prolonged and widespread disputes have to be faced in the near future : a radical change in the basic wage-rates ; provision of high and stable level of employment as an accepted State policy ; introduction and extension of social security schemes, and a general improvement in the working and living conditions of employees so that they can not only share in the control of industry but can also have adequate leisure and suitable surroundings for a healthy and good life. The financial policy pursued during war-time, and even after, has unfortunately aggravated the seriousness of some of these problems. If the solution of these problems is to be achieved with the minimum possible strife and dislocation, the following main principles must not be lost sight of.

First of all, the State must aim at a progressive narrowing of the scope of conflicts. It can do this partly by taking certain vital matters in its own hands and legislating upon them directly, and partly by actively encouraging the close association of capital and labour in the day to day decisions in industry through the establishment of Works Committees. Such regular contact will not only give labour a sense of dignity but will also give opportunities to the two parties to adjust their differences of outlook and thereby exercise a healthy check on the accumulation of grievances. Secondly, in matters which appear to be controversial, the State must foster the practice of joint negotiation between capital and labour and only occasionally interfere to order an impartial investigation of a major complicated issue, giving the results of such investigation full publicity so as to create and maintain a healthy and vigilant public opinion. Thirdly, for the peaceful settlement of disputes which cannot be prevented, care has to be taken to devise a conciliation procedure which gives a fair and equal

opportunity to both parties to state their cases, in a full and frank manner. In the present structure of society, the personnel available for conciliation etc., the procedure prescribed for the conduct of negotiation and other incidental requisites are likely to land considerable advantages to capital because of its financial resources and influence with Government which it can bring to bear on the representation of its case. A deliberate effort has, therefore, to be made to set up a machinery capable of resisting the subtle advances of capital and to develop the relative stability and resources of the working class organisations. And lastly, each province should have specialised judicial bodies like the Industrial Court in Bombay and other Labour Courts to interpret and apply industrial laws and agreements.

The success of the above measures will, ultimately, depend upon the sense of public responsibility which the State is able to instil in the minds of employers and workers and on the activity which it displays in bringing about a substantial change in the condition of the workers by direct State efforts. In a society like ours where the institutions of production are based on the pursuit of private profit, the interests of capital and labour will, over a wide field, continue to remain divergent and it may not always be possible for the State to bring about a real change by an exclusive reliance on peaceful methods. It would be a misreading of human nature, as well as of certain stubborn facts relating to the present distribution of wealth, to expect that every industrial dispute is capable of peaceful settlement. These are certain fundamental differences which call for a trial of strength. To suppress these and to accept the principle of peace *at any price* is to sacrifice both progress and liberty.

#### POST SCRIPT

The Bombay Industrial Relations Bill, 1946, seeks to amend and consolidate the law relating to trade dispute in Bombay. In view of

certain revolutionary changes introduced in it and the possibility of their being adopted in All-India legislation, its main provisions may be briefly indicated.

In the first place, the Bill introduces some minor changes with a view to correcting some of the defects revealed in the working of the Bombay Industrial Disputes Act, 1938. For example, it expedites conciliation procedure by curtailing the maximum duration of such proceedings; transfers minor disputes which involve no substantial issues and which are not likely to be settled quickly and finally by conciliation procedure to Labour Courts; thereby it also relieves the Industrial Court of much petty work; penalties for illegal strikes are reduced and those for illegal lock-outs enhanced; relief is given in case of illegal strikes and lock-outs about which doubt existed at the time of the commencement of the offence about their legality and where work is promptly resumed. The principle of one registered union for each industry or occupation is retained but the minimum percentage of membership required for a representative union is reduced from 25 to 15; the recognition of the employer to a 5 per cent union to make it a registered union is withdrawn; and a new class of primary unions comprising of at least 15 per cent of the workers in any single "undertaking" is added.

Two fundamental innovations are, however, introduced—the creation of Approved Unions and the principle of Compulsory Arbitration.

Those unions which are prepared to abide by certain rules are to be put on an Approved List and offered special privileges. Such unions must make and observe rules to the effect that :—(1) their membership subscription shall not be less than four annas per month (this may be reduced to two annas by the Provincial Government); (2) their Executive Committees shall meet at intervals of not more than three

months ; (3) all resolutions passed shall be recorded in a minute book ; (4) their accounts be audited every year by an auditor appointed by Government ; (5) every industrial dispute in which a settlement is not reached by conciliation shall be submitted to arbitration and Government's reference of any dispute to arbitration will not be refused ; and (6) no strike shall be sanctioned unless all the peaceful methods provided by law are exhausted and then only if a majority of their members vote by ballot in favour of a strike.

In return, the Approved Unions get the following special privileges. Their officers can collect union dues on the premises where wages are paid, can put up notices on such premises, hold discussions with the employers and employees as also inspect such places of work. Further, Approved Unions can apply for legal aid at the expense of the Provincial Government in all proceedings before the Industrial Court or Labour Courts. An attempt is thus made to change the objectives of the trade union movement by putting a premium on peaceful methods of settlement of disputes.

But most important of all the Bill seeks to perpetuate, and widen the scope of, the principle of compulsory arbitration embodied in the amendment of the Bombay Industrial Disputes Act carried in 1941. It lays down that Government may refer any industrial dispute to the arbitration of the Industrial Court if it is satisfied that—

- (1) by reason of the continuance of the dispute
  - (a) a serious outbreak of disorder or a breach of the public peace is likely to occur ; or
  - (b) serious or prolonged hardship to a large section of the community is likely to be caused ; or
  - (c) the industry concerned is likely to be seriously affected or the prospects and

scope for employment therein curtailed ; or

(2) the dispute is not likely to be settled by other means ; or

(3) it is necessary in the public interest to do so.

The last two sub-sections practically vest the Government with full authority to refer any matter to the arbitration of the Industrial Court.

Finally, the Bill makes provision for setting up Joint Committees of workers and employers, establishing *ad hoc* Courts of Inquiry whenever necessary and for maintenance of records of conditions in industries presumably to assist the arbitration authorities to come to fair conclusions.

## CHAPTER VII

### INDIA AND THE I. L. O.

*By P. P. Pillai* .

Two strands of thought, the one humanitarian and idealistic and the other utilitarian and practical, have combined together to create the I. L. O. On the one hand is the conviction that existing conditions of labour, involving as they do serious injustice, hardship and privation to large numbers of people produce unrest so great that the peace and harmony of the world are imperilled, and that an improvement of these conditions is, therefore, urgently required. On the other hand is the well-founded apprehension that the zeal for social progress may be effectively quenched in the intense struggle for capturing a limited international market; the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other competing nations which may desire to improve conditions in their own countries. Universal peace can be established only on the basis of social justice; and social justice can be established only on the basis of international agreement. This is the substance of the famous Preamble to the Constitution of the I. L. O.

Though the I. L. O. was born only in 1919—it is one of the principal international organizations created by the Peace Treaties which concluded World War I—the idea of regulating labour conditions by international treaty had been exercising men's minds for a much longer period. Immediately after the Napoleonic Wars, Robert Owen's voice was heard pleading with the Congress of Aix-la Chapelle that international regulation of labour should be one of

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the conditions of the new Peace. Somewhat later, in 1839, the French economist Blanqui took up the tale in his *Cours d' Economic Industrielle*: 'So far,' said he, 'treaties have been made between the various powers for the sake of binding each other to kill men; why not make treaties today to preserve men's lives and make them happier?' Then there was Daniel Le Grand, the Alsatian manufacturer, who appealed in 1847 to the Governments of France, England, Prussia and Switzerland for the enactment of international legislation for the protection of the working classes. These pioneers did not toil in vain, for their ideas were taken up by others, and the first International Labour Conference, convoked, curiously enough, by the German Government, was held in 1890. This Conference, though productive of no concrete results, exerted a profound moral influence. From it and from the International Labour Congresses of Zurich and Brussels, both held in 1897, sprang the International Association for Labour Legislation. The first decade and a half of the new century witnessed brisk progress in the field of ameliorative labour action. Two official labour conferences met at Berne in 1905 and 1906, and a new trail in international action was blazed when these conferences drew up for the first time two International Labour Conventions prohibiting, the first the night-work of women, and the second the use of white phosphorus in the manufacture of matches. With the outbreak of the first World War in 1914, international labour problems came to be viewed from a new angle. There was a change of attitude on the part of the trade union movement, which till then had declined to co-operate with the International Association of Labour Legislation; and in 1916, the Leeds Conference of the General Federation of Trade Unions resolved that—

The Treaty of Peace must place beyond the reach of capitalistic international competition, and secure for the workers of all countries, a mini-

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mum of moral and material guarantees regarding the right to work, the right to organize, regulation of imported labour, social insurance, hours of work and the health and safety of the workers.

The Conference further recommended that an International Commission should be appointed to supervise the execution of labour agreements, and that an International Labour Office should be established to gather material regarding labour legislation. Public opinion on this point having gained further momentum, the Paris Peace Conference appointed a Commission on International Labour Legislation on the 31 January 1919, and it was this Commission which framed the Constitution of the I. L. O.

The I. L. O. functions through an annual conference, a Governing Body, and a permanent secretariat. The Conference is composed of four delegates appointed by each country, two of whom represent the Government, and one each the organized workers and employers, of the country. Each delegate may be accompanied by not more than two technical advisers for each item on the agenda of the Conference. Each meeting of the Conference discusses a report presented by the Director of the I. L. O. on the work of the Organization during the preceding year, and considers specific questions relating to conditions of work with a view to agreement on international measures. The decisions of the Conference generally take the form of Conventions or Recommendations. A Convention is a proposed treaty. According to the I. L. O.'s constitution, the Government of each Member State of the I. L. O. must submit Conventions within eighteen months of their adoption to its own Parliament or other competent authority for decision as to whether it can be accepted and applied within its country. This is the process of ratification of a Convention, and it is worth while remembering that each Member State possesses full authority for rejecting or ratifying any



of the I. L. O.'s Conventions. In case of ratification, however, the State becomes a party to the Treaty with other ratifying States, and is under an obligation to see that its own law and practice are in accordance with the Convention. This is no empty formality, since each ratifying country has to report every year to the Conference on the steps taken to give effect to the Convention, and these reports are very carefully scrutinized by the I. L. O. Since the Conference consists of the representatives of Governments, employers and workers in the proportion of 2:1:1, and since the adoption of any Convention requires a two-thirds majority, it is apparent that a Convention adopted by the I. L. O. represents the highest common measure of agreement reached between Governments, employers and workers.

Article 57 of the Charter of the United Nations provides that specialized agencies established by inter-governmental agreement and having wide international responsibilities in their several fields shall be brought into relationship with the United Nations. The I. L. O. has been the first of these specialized agencies to establish relations with the U. N. an agreement defining these relationships having been approved by the General Assembly of the U. N. on the 14 December, 1946.

It is a matter for satisfaction that on the Governing Body of I. L. O. India has been able to obtain her share of representation. The Governing Body is, as its name indicates, the executive committee of the Organization and it consists of 16 representatives of Governments (of whom six shall be non-European) and 8 representatives each from the employers' and workers' groups of the Conference (of whom two from each group shall be non-European). Of the 16 Government seats, 8 are allotted in permanence to the eight States of chief industrial importance. During the first two years, India's claim to be regarded

as one of the eight leading industrial countries of the world was not recognized at Geneva. In 1922, however, as a result of India's persistent agitation, her claim was admitted; and since then the Government of this country has been enjoying the privilege of having a permanent place reserved for it in the Governing Body. In 1934, when the United States and Russia joined the I. L. O., it became necessary to revise the list of the eight States of chief industrial importance, and some apprehensions were entertained in this country as to whether India would find a place in the new list. But the Governing Body which met in January 1935 included India in this list, and it is not likely that her place will ever again be threatened. India's first representative on the Governing Body was Sir Louis Keashaw; after him, the High Commissioner for India in London has always represented the Government of India on the Governing Body. Nor have the interests of Indian employers and workers been unrepresented at the Governing Body. Mr. D. P. Khaitan was the first Indian Employers' Delegate to take part in the work of the Governing Body, when he attended one of its sessions in 1929 as a representative of the British Empire group of employers on that body. In 1931, Mr. David Erulkar was chosen a Deputy Member of the Governing Body, and in 1934, when the Employers' Group in the Conference of that year elected him as Titular Member, the claim of Indian employers to representation on the Governing Body was fully met. Indian labour interests were represented on the Governing Body by Mr. N. M. Joshi, who has been connected with the I. L. O. from the old Washington days. He was a Deputy Member of the Governing Body from 1922 to 1934, and a full member from 1944; in 1945, he was again elected a Deputy Member. While on this topic, it may be mentioned that Sir Atul Chatterjee presided over the International Labour Conference of 1927 and was elected the first overseas chairman of the Govern-

ing Body in 1932, thus filling the highest positions in the International Labour Organization.

In pre-war days the International Labour Office had a staff of about 400. In appointing the staff, the Director-General is enjoined, so far as is possible with due regard to efficiency, to select persons of different nationalities, and to see that a certain number of these shall be women. The experiment was fraught with risk, but the I. L. O. has succeeded in evolving a truly international cadre of civil servants, whose national loyalties are geared to a higher international loyalty.

The expenses of the Organisation are met by contributions from the Member States. The expenditure (and income) budget for 1947 is 16 million Swiss francs, divided into 690 equal units of payment. The highest contributions are from the United States of America and the United Kingdom, each of which pays 108 units of the total of 690. France pays 60 units. India, paying 48 units, stands fourth in the list of contributors. The 1947 list of contributors shows 51 States as members of the I. L. O.

The work of the Office includes the collection and distribution of information on all subjects relating to the international adjustment of conditions of industrial life and labour, and more particularly the examination of subjects proposed to be brought before the Conference and the conduct of any special investigations which the Conference may order. It has thus become a great research centre and clearing house of information on social and industrial questions. Not only has it to analyse the large amount of industrial information appearing in numerous official and non-official publications, but it has also to spread its net wider and follow with accuracy the day-to-day developments taking place within its special fields even in the countries which do not

participate in its work; a notable example is the amount of reliable information it gathered during World War II on labour and social developments in Germany and the occupied countries in Europe. The vast material that is thus being collected at the I. L. O. is of course being utilized directly for official purposes; but the desire for information of this kind is now so widespread among Governments, administrators, employers, trade union leaders, journalists, economists and politicians—indeed, among all classes of people whose business it is to know what is really happening abroad—that there is a steady demand for it from all parts of the world. The I. L. O. meets these needs by its series of general and specialized publications and periodicals, and in regard to this side of its activity, has developed into a big publishing concern.\* In addition, it prepares the agenda for the meetings of the Conference and the Governing Body, and attends to the execution of their decisions; and it is thus the Secretariat of the Conference.

#### THE INTERNATIONAL LABOUR CODE

During the quarter of a century before World War II, the I. L. O. held 25 sessions of the Conference, and adopted 67 Conventions and 66 Recommendations covering a wide variety of subjects. By way of partial illustration of the scope of the International Labour Code thus evolved, we may picture the position of a worker whose country has put the major labour treaties into operation. First of all he cannot be employed in industry or commerce until he is 15 years old. While under the age of 16, he may not work at night in any industry, and in most industries not till he is 18. His hours of work in any industrial occupation may not as a rule exceed 48 per week, and he will be entitled to one day's rest in seven and a paid holiday of at least six working days each year. If he meets with an accident or is stricken by any of the principal industrial diseases, he will have compensa-

tion guaranteed to him by law, and he will have the protection of Government-controlled funds against sickness, old age or invalidity. Finally, if he is unemployed, a Government employment service will help him to find a job; and if he cannot do so, he and his family will be preserved from destitution by a State scheme of insurance relief. If he is a seaman, he can apply for a job to an employment office jointly administered by ship-owners and seamen. When he is engaged, it will be under articles of agreement protecting his rights; and if he meets with ship-wreck, he will be entitled to be repatriated and compensated during the period of unemployment at the cost of the ship-owner. It is impossible, within the limits of this paper, to give an adequate account of the legislative work accomplished by the I. L. O.; those eager to take up the study may be referred to the I. L. O. publication, *The International Labour Code*.

An International Labour Code fairly adequate for the industrial conditions of today is thus in existence; but it does not automatically follow that all its provisions have found their way into the Statute Books of the Member States. Of the 67 Conventions adopted during the period 1919-1939, only 902 ratifications have so far been registered by the I. L. O. making an average of only 13 ratifications per Convention. Excluding the Convention of Unemployment, India's ratification of which has subsequently been denounced, this country has so far ratified 14 Conventions. These Conventions are :

(1) Convention limiting hours of work in industrial undertakings to eight in the day and forty-eight in the week. (This contains a special provision for India, according to which in British India the principle of a sixty-hour week is to be adopted for all workers in the industries covered by the Factories Act, in mines, and in such branches of railway work as are specified for this purpose by the competent authority in India). (2) Convention on employment

of women during night. (This prohibits the employment of women without distinction of age during night in any public or private industrial undertaking, or in any branch thereof, other than an undertaking in which only members of the same family are employed. In India the application of the above principles may be suspended by Government in respect of any industrial undertaking, except factories as defined by the national law). (3) Convention on night work of young persons employed in industry. (This contains a special provision for India according to which boys of 14 years and under are not to be employed, during night, in factories as defined in the Indian Factories Act). (4) Convention on rights of association and combination of agricultural workers. (This requires that persons engaged in agriculture should have the same rights of association and combination as industrial workers). (5) Convention on weekly rest in industrial undertakings. (This provides for a period of rest comprising at least twenty-four consecutive hours in every period of seven days. In India the Convention is applicable to all workers in industries covered by the Factories Act, in mines, and in such branches of railway work as are specified for this purpose by the competent authority). (6) Convention on the minimum age for admission of young persons to employment as trimmers or stokers (This prohibits the employment of young persons under the age of eighteen on vessels as trimmers or stokers. An exception is made in the case of young persons of not less than sixteen years of age, who, if found physically fit after medical examination, may be employed as trimmers or stokers on vessels exclusively engaged in the coastal trade of India and of Japan, subject to regulations made after consultation with the most representative organizations of employers and workers in those countries). (7) Convention on compulsory medical examination of children and young persons employed at sea. (Employment of any child or young person under eighteen

years of age on any vessel, other than vessels upon which only members of the same family are employed, is made conditional on the production of a medical certificate attesting fitness for such work signed by a doctor who shall be approved by competent authority. Continued employment at sea of any such child or young person is subject to the repetition of such medical examination at intervals of not more than one year, and the production after each such examination of a further medical certificate attesting fitness for such work). (8) Convention on workmen's compensation for occupational diseases. (This provides that compensation shall be payable to workmen incapacitated by occupational diseases, or in case of death from such diseases, to their dependents, in accordance with the general principles of the national legislation relating to compensation for industrial accidents) (9) Convention on equality of treatment for national and foreign workers as regards workmen's compensation for accidents. (This requires each ratifying country to grant to the nationals of any other ratifying country, or to their dependents, the same treatment in respect of workmen's compensation as it grants to its own nationals). (10) Convention on simplification of the inspection of emigrants on board ship. (This provides that the official inspection carried out on board an emigrant vessel for the protection of emigrants shall be undertaken by not more than one Government. The official inspector of emigrants, as a general rule, shall be appointed by the Government of the country whose flag the vessel flies and his duties will be to ensure the observance of the rights which emigrants possess under the laws of the country whose flag the vessel flies, or such other law as is applicable, or under international agreements or under terms of contracts of transportation). (11) Convention on seamen's articles of agreement. (This Convention is, with certain exceptions, applicable to all sea-going vessels registered in any country ratifying

the Convention and to the owners, masters and seamen of such vessels. The articles of agreement are required to be signed both by the ship owner or his representative and by the seamen. The Convention provides that reasonable facilities to examine the articles of agreement before they are signed shall be given to the seaman and also to his adviser and that the seaman shall sign the agreement under conditions which shall be prescribed by national law to ensure adequate supervision by a competent public authority. Other clauses of the Convention relate to the terms of the articles of agreement, the termination of agreement, and to the discharge of seamen). (12) Convention on the marking of weight on heavy packages transported by vessels. (This requires that the gross weight of any package or object of one thousand kilograms (one metric ton) or more gross weight consigned within a ratifying country, for transport by sea or inland waterway, shall be plainly and durably marked upon it on the outside before it is loaded on a ship). (13) Convention on employment of women during night (revised). (This contains a new provision excluding women holding responsible positions of management who are not ordinarily engaged in normal work from the operation of the original Convention of 1919—No. 2 above.) (14) Convention on employment of women in underground work in mines of all kinds. (This prohibits, subject to certain exceptions, the employment of females on underground work in any mine. In accordance with this Convention, the employment of women underground in mines has been prohibited since 1937, but owing to war-time emergencies, the Government of India in 1943 once again permitted such employment till the end of January 1946).

#### STRESS ON 'SPECIAL' CIRCUMSTANCES'

Speaking on the non-ratification by India of a great many of the International Labour Conventions,



the Labour Member of the Government of India remarked in his opening speech to the Seventh Tripartite Labour Conference, 26 November, 1945, that this was due not so much to the unwillingness of the Government to recognize the essential good underlying the Conventions. It was due largely to the rule which requires that a Convention must be ratified without change or modification. It must be accepted as a whole or not at all. It does not permit us to realize our goal by progressive stages which is the only one by which vast and backward countries like India can hope to advance. He wanted to press for a modification of this rule, as being very necessary for Asiatic countries which have a long and a different journey to cover. It should be possible for the I. L. O. to lay down that the Conventions could be carried out stage by stage, coupled with the provision that the whole list of Conventions should be carried within a given period.

As a matter of fact, Article 19 (3) of the Convention of the I. L. O. provides specifically for the cases which the Labour Member had in mind; the relevant clause runs as follows: In framing any recommendation or draft convention of general application, the Conference shall have due regard to those countries in which climatic conditions, the imperfect development of industrial organization, or other special circumstances make the industrial conditions substantially different and shall suggest the modifications, if any, which it considers may be required to meet the case of such countries.

It is interesting to note that, while some of the earlier Conventions were being drafted, recourse was had to this clause, and somewhat lower standards than those agreed upon for general application were fixed for Asiatic countries; by way of illustration, while the Hours Convention prescribed a 48-hour

week for general application, Article 10 of that Convention permitted a 60-hour week in India. Later, however, there appears to have been no desire to stress the 'special circumstances' referred to in the clause reproduced above and demand preferential treatment for India or other countries on the ground of social backwardness. The reason for this change of attitude may well be that mentioned by Sir Atul Chatterjee in the Council of State while proposing the ratification of the Hours Convention ; he stated : 'The eyes of the world, of the democracies of every country in the world, are at the moment on us. I am confident that the Council has a full sense of its responsibility for the good name and dignity of India in international councils. We do not want to be considered a backward nation always and for ever.' The generation of this spirit of national self-respect, of this desire on the part of each country not to be treated differently from other countries in social matters, has been considered by many the greatest contribution that the I. L. O. has made to the cause of international social progress.

The I.L.O. has also developed another technique for dealing with the improvement of labour conditions in the countries which have not reached the economic and industrial level of Western Europe or North America ; it is now encouraging a regional approach to these and allied problems, and it may be recalled in this connexion that the scheme for the convocation of a Preparatory Regional Conference covering South-East Asia including India and China is now fairly well-advanced, and that the Government of India have extended an invitation to the I. L. O. to hold the Conference in India in October 1947. There has for long been a feeling among the Asiatic countries that their special social and economic problems do not receive adequate consideration at the general Conferences of the I. L. O. with their predominantly Western background. The developments that have recently been taking place in Asia have

added to this discontent, and it is for these reasons that the I. L. O. has now decided to hold a Preparatory Conference at New Delhi in October 1947, to be followed by another Conference in China in 1948. These Conferences will consist of the usual tripartite delegations from India, Ceylon, Burma, Malaya, Indonesia, the Philippines, Indo-China and China, and will enable a study of the common social problems of this industrially backward region to be made independently and apart from the European or American context. Since Conferences of this nature will have primarily to deal with such basic problems as the removal of poverty and the raising of the standards of living of this enormous depressed area, it is not at all unlikely that these Conferences may be able to suggest amplifications or amendments to Article 19 (3) of the Constitution of the I. L. O., quoted above, which deals with areas where the climatic conditions or the course of industrial developments are different from those of Europe or America.

#### I. L. O.'S INFLUENCE ON INDIAN LABOUR LEGISLATION

It may be objected that India's record of ratifications is not very impressive, and that it does not deal with our labour problems in the order of their urgency; but this is not the whole story. Even more important than the necessarily limited number of legislative enactments which the Government of India had to adopt in consequence of the ratification of Conventions is the new attitude towards labour and labour problems which India has imbibed from the I. L. O. How a consideration of the Conventions by the Indian Parliament has given a new impetus to social progress is a theme on which many men with divergent points of view have exhibited surprising unanimity. On the Government's side, Sir Andrew Clow has recorded the opinion that the I. L. O. has been instrumental in stimulating public interest in labour questions and at times in initiating measures which might not otherwise have been

adopted. The report of the Royal Commission on Labour in India also pays a tribute to the I. L. O. for the progress in Indian labour reform which it has brought about both directly and indirectly. On the employers' side, all are agreed on the substantial advantages that India is receiving through our connexions with the I. L. O., though this handsome acknowledgement is now and again tempered by the fear that the I. L. O. may unconsciously be forcing the pace of labour legislation in this country. The late Mr. C. F. Andrews has suggested a somewhat different method of assessing the gains that have accrued to India from the I. L. O. He asks us to compare the two or three halting bits of labour legislation which we had during the half century which preceded India's joining the I. L. O. with the large number and wide scope of the labour Acts that we have had since. Altogether, it will be safe to say that almost all the great landmarks in Indian labour legislation have been set up since India joined the I. L. O.

Out of the 67 Conventions adopted by the I. L. O. from 1919 to 1939, India has ratified only 14 ; does it therefore follow that the 53 unratified Conventions have had no effect on Indian social life ? Experience has shown that even unratified Conventions serve a definite social purpose and that, in many cases, the ratification of a Convention by some of the leading countries of the world has in itself been sufficient to bring into general practice the stipulations of the Convention, even though a great many other countries have not been able to ratify it formally. This is because the Conventions of the I. L. O. are based on a large amount of practical experience, or at least on a definite social urge felt in several countries. In the result, a Convention as adopted by the International Labour Conference tends to become a generally accepted standard of conduct which the socially backward countries gradually approach. Thus, in many cases, the substance of

social reform enshrined in a Convention gets usually implemented in the national legislation even of those countries which, for some technical reason or other, find ratification difficult. A leading example, so far as India is concerned, is furnished by the Child-birth Convention adopted by the Conference of 1919, by which women are not permitted to work during the six weeks following their confinement, and are given the right to leave work for six weeks preceding child-birth; during this period they should be paid benefits provided either out of public funds or by means of a system of insurance. The I. L. O. requested India to make a study of the problem and present a report to the next Conference. The Indian report, of course, showed that conditions were not ripe for the introduction of a compulsory scheme of maternity benefits, but added that employers would be encouraged to start voluntary schemes. The Convention, therefore, was not ratified by India, but the matter did not end there, for India forged ahead with several provincial enactments providing maternity benefits, and with a Central enactment for women-workers in mines. The benefits of the Convention therefore are being enjoyed by the large majority of woman-workers in Indian industries; and yet India figures among the countries which have not ratified the Convention. Another case in point is that of the revised Convention of 1937 fixing the minimum age for admission of children to industrial employment. Indian legislation is in some respects even ahead of the stipulations of the Convention, but because technical compliance with every one of its stipulations has not been possible, the Convention still remains unratified by India.

#### GOVERNMENT PROCEDURE ON CONFERENCE DECISIONS

A word must here be mentioned about the procedure adopted by the Government of India in respect of the Conventions and Recommendations of the International Labour Conference. It will be

remembered that these decisions of the Conference have, under the Constitution of the I. L. O., to be submitted to the national 'authority or authorities within whose competence the matter lies, for the enactment of legislation or other action.' In accordance with this provision, the Government of India were, till 1937, following the practice of submitting to the Central Legislature, resolutions indicating the action they wished to be taken on the I. L. O. decisions; and this automatically provided an opportunity for the discussion by the Central Legislature of the Conventions and Recommendations and for the resultant publicity in the press or the platform outside. This procedure had the merit of drawing the pointed attention of the Legislature, and the public generally, to the I. L. O. decisions, so that they were able to discuss the work of the I. L. O. almost every year and were kept cognizant of the latest developments taking place in the world in the matter of the improvement of social conditions. It was this procedure which had won the commendation of Sir Andrew Clow (who was the Government's expert on labour problems for several years), when he stated that the I. L. O. 'had been instrumental in initiating measures which might not otherwise have been adopted.' Under this procedure, the 'competent authority' to which the I. L. O. decisions had to be submitted was recognized as the national legislature.

In 1937 a new procedure was adopted by the Government of India, the salient features of which, as explained by the Government member in charge of Labour, are as follows :—

- (1) The Government will place all Conventions and Recommendations on the table of the House.
- (2) Statements will also be laid on the table setting out the action the Government propose to take on these Conventions and Recommendations.

- (3) When legislation on the basis of these Conventions and Recommendations is deemed necessary, the Government will introduce the necessary Bills.
- (4) If other action is needed, Government may move resolutions.
- (5) If private members do not agree with the action proposed by the Government, they may move the House by way of Resolutions.
- (6) Even if the ballot is unfavourable to the private members' resolutions, the Government may provide an opportunity for discussing the question if they are satisfied that the resolution lost in ballot represents the views of a fairly large number of members.

Labour circles regard this innovation with misgivings, for it is clear that under the new procedure the Government would not be submitting any resolution to the Legislature on such of the I. L. O. decisions on which they did not contemplate taking any action, and, unless private members are vigilant and move resolutions on those matters, the value which the discussions in the legislature always have in educating public opinion on labour problems and the I. L. O. generally is likely to be lost or at any rate lessened.

The mere adoption of a draft Convention by the International Labour Conference has the virtual effect of putting non-ratifying countries on their defence, and of prodding them to raise their national legislation to the same, or almost the same, level as that laid down by the Convention. There has been an unexpected development of this feeling that each country has to justify herself before her fellow-Members of the I. L. O. The right to ratify or not to ratify a Convention rests, according to the letter

of the I. L. O.'s constitution, on the Government of each Member-State. But the International Labour Conference provides a forum for complaints and counter-complaints in regard to the slow progress of ratifications, and it is not alone from the workers' group that these complaints arise. Instances are not wanting where even Government delegates have felt themselves free, in the Conference, to attack other Governments for their failure to accept I. L. O.'s standards. When in 1921 the Government of India was unable to ratify the Washington Convention on minimum age in industry, the then Secretary of State for India felt it necessary to give the I. L. O. an elaborate explanation, and requested that the facts of the situation may be published in order that 'the other members of the I. L. O. may be made aware that India has been compelled to withhold ratification for merely technical reasons, but that she was prepared to give substantial effect to the provisions of the Convention.' Here is a case of a Government coming forward with a voluntary explanation, even though the I. L. O. has no right of any kind to demand it. An even more piquant example of the growth of this spirit of international accountability was the exchange-at-arms which took place during the 8th session of the Conference between the representatives of the Indian and Japanese Governments, who attacked each other for not fulfilling their 'international obligations' under the I. L. O. This kind of frank and healthy criticism of one country by another is based on the conviction that the progressive development of human civilization is possible only if a spirit of responsibility between the various nations of the world *inter se* is postulated.

It has already been mentioned that each of the Member-States is under an obligation to make an annual report to the I. L. O. on the measures which it has taken to give effect to the Conventions ratified by it. This is a very valuable safeguard against possible window-dressing by any State which may



ratify a Convention for gaining international prestige without being able to implement it. The I. L. O. has a Committee to scrutinize the various reports on ratified Conventions from Member States, and any irregularities in the implementation of ratified Conventions are mercilessly brought to light by this Committee. There is also another provision in the I. L. O.'s constitution by which any industrial association of employers or workers in any of the Member countries may lodge a complaint against any country which is not effectively implementing a ratified Convention. This provision, too, has been effectively made use of on occasions. The working of these provisions of the I. L. O.'s constitution may be illustrated by India's ratification of the Unemployment Convention of 1919 and its subsequent denunciation in 1938. The Government of India's reports on the application of this Convention showed that no action had been taken to establish the free public employment agencies on which the Convention insisted, but the Government's contention was that the Indian system of famine relief corresponded to the obligations imposed by the Convention. Year after year, the I. L. O. Committee pointed out that this was not good enough, and matters came to a head when, in 1936, the Madras Labour Union lodged a formal complaint against the Government of India. In the enquiries which the I. L. O. undertook, it came out that India's implementation of the Convention was unsatisfactory, and the Government of India had to denounce the ratification in 1938, even though the ground on which the denunciation was based had no bearing on the merits of the case.

Another example of the effectiveness of the I. L. O.'s system of scrutiny is furnished by India's experience in the matter of the application to railway workers of the Hours of Work Convention of 1919. The Indian Workers' Delegate to the Conference of 1934 lodged a complaint with the I. L. O. that,

though this Convention was ratified by India, the workers on the Company-managed railways were being denied its advantages, since the Government had applied the Convention only to the workers employed on the State-managed railways. The Governing Body upheld this complaint, with the result that, by January 1941, there was an extension of the benefits of the Convention to all Indian railway workers, with certain well-defined exceptions.

In the two illustrations given above, both the complainant and the party complained against belonged to the same country, but this has not always been the case. In 1935, for example, the Madras and Southern Mahratta Railway Employees' Union made a representation, under Articles 23 and 35 of the I. L. O.'s constitution, to the effect that France was not applying to her possessions in India several Conventions which she had ratified. Article 35 lays down that the States ratifying Conventions should apply them to their colonies, protectorates and possessions which are not fully self-governing except where, owing to local conditions, the Convention is inapplicable, or subject to such modifications as may be necessary to adapt the Conventions to local conditions. The 74th session of the Governing Body appointed a Committee to enquire into the complaint, and before this committee, the representative of the French Government stated that his Government examined every year the possibility of applying the Conventions ratified by it to each of its colonies, protectorates and possessions, and that, as long as it fulfilled its responsibilities under Article 35, the I. L. O. was not competent to take cognizance of any complaints on this point. The Committee reported that, while the complaint was receivable as regards form, it was not receivable as regards substance. Technically, therefore, the complaint failed, but its sequel showed that the lodging of the complaint was well worth while ; for, the appeal to Geneva and the

publicity it evoked encouraged the workers of Pondicherry and their sympathizers to press forward further; the backwardness of labour conditions in French India, which after all was a comparatively minor issue, suddenly became a live topic of discussion; and the matter was referred to at the 20th session of the Conference. There can be no doubt that it must have been as a result of this publicity that the French Minister of Colonies ordered in 1936 the introduction of a revised labour code in French India, which registered a marked improvement on the then existing conditions.

#### SOME BY-PRODUCTS

The examples given above show that the potency of the I. L. O. as an instrument of social progress is not exhausted by its principal task of drawing up Conventions. There have also been other directions in which the I. L. O.'s beneficent influence has been felt. One of the more important by-products of the I. L. O.'s activities is the stimulus that it has imparted to industrial organization in this country. The facts speak for themselves. Before the I. L. O. was started, there was no Trade Union Congress in India, nor indeed was there more than merely handful of trade unions in the whole country; and the Indian employers were hardly better organized. The provision in the I. L. O. constitution that the Member States undertake to nominate non-Government delegates and advisers 'chosen in agreement with the industrial organizations, if such organizations exist, which are most representative of employers or work-people, as the case may be, in their respective countries' soon led to a change in the entire situation. The right of having a substantial, perhaps the predominant, voice in the nomination of the non-Government delegates to the International Labour Conference was naturally looked upon by both employers and workers as a most valuable one; and since this right could be exercised only by the most

representative organizations of employers and workers respectively, both groups soon set to work for the creation of such organizations. For the first International Labour Conference, the workers' delegate had to be chosen by Government, and the fear was natural that, if the Government was allowed to choose the non-Government delegates also, its choice might sometimes fall on assenting nominees who might betray the interests of their class in order to find favour with the Government. It was this mis-giving which induced the more active minds in the Indian labour movement to organize the All-India Trade Union Congress in 1920. A similar story could be told of Indian employers also. Before the setting up of the I. L. O., the employers had no common organization or machinery for electing a representative of the various scattered employers' associations in the country; but a move was initiated in 1920 for the formation of a Federation of Employers' Associations. At the Maritime Conference of 1926, a powerful section of Indian employers challenged the credentials of the Indian employers' delegate on the ground that the delegate then nominated by Government was not an Indian national and that the Government did not consult the Indian Employers' Associations in appointing him delegate. The decision of the Credentials Committee of the International Labour Conference in this matter was responsible for the creation of the Federation of Indian Chambers of Commerce and Industry. The nomination of Indian employers' delegates to the International Labour Conference is nowadays made in agreement with the All-India Organization of Industrial Employers and the Employers' Federation of India, the two 'most representative' bodies of Indian employers. Such representative organizations of employers and workers, though primarily created for the nomination of delegates to the I. L. O., have also proved useful in furthering the other interests of the employers and workers and in the formulation of

the considered views of the parties concerned on all questions affecting capital and labour.

A second by-product is the manner in which labour conditions in Indian States are gradually being brought into the national and international orbit. Politically and administratively, the Indian States are separate from British India; and though an Indian Prince signed the Treaty of Versailles of which the Constitution of the I. L. O. is a part, it is far from clear whether his signature committed the Indian States to the acceptance of the Constitution of the I. L. O. The Secretary of State for India, in his letter of 20 September 1927, has pointed out that ratification of Conventions by the Government of India may not be possible if it entailed ratification by some 600 Indian States also. A practical difficulty has thus arisen, for the failure of the Indian States to accept the standards laid down by the I. L. O. Conventions is an obstacle in the way of British India which may desire to adopt those standards, but is deterred from doing so for fear of unfair competition from the neighbouring Indian States. On this point the reply of the Secretary of State was that, though the Government of India was unable to assume any obligations in regard to the Indian States, it will, on the analogy of the 9th paragraph of Article 19 of the Constitution, bring Conventions ratified by it to the notice of those States to which their provisions appear to be relevant, and will also be prepared to use its good offices with such States to induce them to adopt as far as possible the standards laid down in these Conventions. The anomaly caused by the presence within the geographical limits of India of two classes of population, one of which is protected by I. L. O. Conventions while the other is not, has been a source of bitter complaint, not only in India but also in the forum of the International Labour Conference; and the representatives of both Indian employers and Indian workers have been united in pressing that this anomaly should disappear. The Government of

India has by no means been backward in pressing the Indian States to conform, as far as possible, to the standards of labour protection established in British India, and it must readily be conceded that some of the more advanced States have of late been engaged in raising their labour standards more or less to the level prevailing in British India. Generally speaking, however, social progress in the Indian States has been slow and uneven, and so recently as in 1944, the Indian workers' delegate complained at the Philadelphia Conference that the subjects of Indian States 'are international orphans so far as their working conditions are concerned.' In order to bring the Indian States into the social and economic orbit of a unified India, representatives of the States' Governments are now being associated with the representatives of the Central and Provincial Governments of British India in the work of the recently started Tripartite Labour Conference; and while no representative from an Indian State as such has till now been a member of the Indian delegations to the International Labour Conference, a new departure is indicated by the inclusion of the representative of an Indian State in the Indian Delegation to the 27th (1945) session of the International Labour Conference. The significance of this nomination lies in the fact that it has been made by the Government of India in concurrence with the Chancellor of the Chamber of Princes, and that the person selected is to serve as Adviser on behalf of the Indian States to the Government of India's delegation. The I. L. O. has thus been indirectly responsible not only for helping a stage further the economic and social unity of India, but also for providing a platform on which the social problems of the Indian States also may be discussed.

#### THE INDIAN LABOUR CONFERENCE

No study of the results of the I. L. O.'s impact on India can leave out of account the part played by it

in serving as a prototype for the Tripartite Labour Conference instituted by the Government of India in 1942. Even previous to 1942, the Government of India had adopted the practice of holding consultations on important labour questions, principally those coming up before the Legislature or before the International Labour Conference, with the representatives of the Provincial and State Governments, of employers, and of workers. But these consultations were held separately, and the suggestion thrown out by the Whitley Commission over ten years ago, that a big federal country like India might profitably follow the example of the I. L. O. and organize a Tripartite Industrial Council, was then considered impracticable. The exigencies of World War II, which showed how eminently practicable were a great many of the ideas previously dismissed as impracticable, compelled the Government at last to act on the suggestion. As defined at present, the new Tripartite Labour Conference aims at the promotion of uniformity in labour legislation, the formulation of a procedure for the settlement of industrial disputes, and the discussion of all matters of all-India importance as between employers and employees. Not only has the Indian Conference adopted the tripartite system of representation, but it has also incorporated a great many of the other principles underlying the Constitution of the I. L. O. These principles, as analysed by the President of the First Indian Tripartite Conference, and as now embodied in its own Constitution, are : (1) equality of representation as between Government and non-Government representatives, (2) equality of representation as between employers and employees, and (3) the assurance of representation to certain interests by reservation. Altogether, ample tribute has been paid by the sponsors of the Indian Tripartite Conference to the I. L. O. as its exemplar. The Labour Member of the Government of India some time ago expressed the hope that, 'if on the analogy of the

I. L. O., the Indian Conference was able to point out the way for a co-ordinated advance in labour matters both in the Provinces and in the Indian States, it will certainly further that consolidation of India into one economic unit, which is as much our goal as its consolidation into one social or political unit.' Those who have been following the work of the Indian Tripartite Conference during the last four years will, no doubt, agree that this hope is being slowly justified.

#### THE PHILADELPHIA CHARTER

Though the I. L. O. is the sole survivor today of the several international institutions which existed prior to the outbreak of World War II, it must be admitted that the events of the last six years proved a severe trial, not only of its potency, but even of its viability. The reasons which enabled the I. L. O. to emerge out of this ordeal unscathed lie both in its fundamental objectives and in its methods of work. There can be no doubt that there are no more stout-hearted advocates of freedom and democracy than the members of the working classes; their devotion to these ideals is as great as are the sufferings they undergo in political environments from which freedom and democracy have been banished. It was therefore a matter of life and death to the working classes that the War should be won by those who stood for freedom and democracy, and that the only peace-time institution which stood for their ideals should play a dominant part not only in the prosecution of the war but also in shaping the world of the future. These were the two objectives to which, during the war period, the I. L. O. addressed itself with vigour and promptitude, and the special Conference it summoned at New York in 1941 served the purpose of providing, first, an international platform where the nations warring against the Axis powers could reaffirm their solidarity and, secondly, an opportunity for them to work out in unison their blue-prints for the post-war social order. At New



York in 1941 and at Philadelphia in 1944, problems of reconstruction held the stage and the hope there expressed that the I. L. O. would be recognized as one of the most important formative agencies for the shaping of the future is now being fulfilled. It was at Philadelphia that the famous Declaration restating the aims and purposes of the I. L. O. was formulated. This document, which has been hailed by President Roosevelt as a land-mark in world-thinking, is built around the cardinal truth that 'poverty anywhere constitutes a danger to prosperity everywhere,' and asserts that 'all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.' No student of social policy, and no statesman or administrator, can hereafter afford to ignore the fundamental principles enshrined in the Philadelphia Charter.

## CHAPTER VIII

# VILLAGE LABOUR FORCE IN THE CITY

*By J. M. Kumarappa*

The lack of a tradition of wise social administration has been the most unfortunate aspect of industrial development in India. We have failed to recognise clearly that the responsibility of any industry or any service is not complete when it affords to itself alone a margin of material advantage. As a result, too long have we been stoically complacent towards human insufficiency, failure and suffering. It is only in recent years with the pressure of population in industrial towns, that we have begun to appreciate, though not fully, the economic and social significance of housing.

Since the beginning of the present century, Indian cities like Bombay and Calcutta, have doubled and trebled their population; others like Madras, Madura, Nagpur and Cawnpore have all increased their numbers with amazing rapidity; whilst new towns like Bhatpara and Jamshedpur have sprung up in areas which were hitherto undeveloped. This sudden growth of population in these industrial cities has been due to the influx of rural migrants in response to the demand for labour. While some centres, like Cawnpore and Ahmedabad, recruit their workers mainly from adjacent districts where population pressure is severe, Bombay and Calcutta attract them from even such distant places as Madras, the United Provinces and the Punjab.

Let us take Bombay as an example. Its labour force is found to be largely rural, though drawn from all parts of the country. Several thousands of workers from the villages of Deccan, for instance, are employed in Bombay's docks and mills. Rural areas of

Kathiawar and Cutch provide the city with large numbers of shopkeepers, domestic servants, clerks and artisans. Surat supplies mostly domestic servants, while from other parts of Gujerat come artisans, clerks and labourers. The Portuguese settlement of Goa provides not only cooks and butlers but also a considerable number of artisans and clerks. Thousands of workers from the United Provinces are employed as weavers in the cotton mills, as artisans in the engineering works and also as coachmen, syces and coolies. The Punjab villages supply Bombay with weavers, mechanics, blacksmiths and above all, with that object of hatred and dread—the Pathan money-lender.

The above facts make it clear that the village artisans, agricultural and field labour classes, which form the lower castes of village society, are the chief sources from which Bombay draws its working classes. Thus, with the introduction of the machine industry and its concentration under the factory system in big cities, began that large-scale exodus of population from the village to the city which has been so striking a characteristic of India's industrial revolution.

So also the transfer of production from the cottage to the factory has stimulated the growth of cities both in number and size. The city's newness, the rapidity of its growth, the varied cultural background of its people, and the diversity of their activities and interests make social control a perpetual problem. Being relatively new and shaped by forces little known, its development has been largely unanticipated and unplanned. This has given rise to a variety of social problems, the chief among them being that of housing its ever-growing working population and eliminating its blighted areas.

While much has been said during the last few years with reference to slum clearance and the dangers of congestion and over crowding to public health, little or no attention has been given to the slum

dwellers as the vital part of the problem. In point of fact, the congested area is not so important a factor in this problem as the people who live in it. Upon their reactions depends much of the success of any social experiment in housing. The city's social problems must, therefore, be studied against a background which is distinct and unique.

With the congestion of population in our big industrial centres, the social problems associated with the housing of the working classes have also become prominent. Overcrowding, bad housing, defective sanitation, disease and a high death rate are all now outstanding characteristics of our industrial cities. Their industrialisation, to be sure, has not been an unmixed blessing. While stimulating trade and commerce, it has added to the population large numbers from the lower strata of the village community. And they are becoming a constant menace to public welfare, since the cities are not able to cope with the problem of housing them, much less of training them in the city's standards of life and conduct.

The general shortage of houses in practically all of our industrial areas is so acute that it has led to the distressing problem of overcrowding. Out of every 100 tenements in Bombay, 81 are one-room tenements. While the minimum space for decent housing requires that no single room tenement should have more than 2.5 persons per room, the average number of persons per room is 4. In fact, over 95 per cent of the City's working population is housed in such tenements with as many as 6 to 9 living in each room. But that is not all. Sometimes one finds as many as 4 families living in the 4 corners of a single room. Similarly, in Karachi almost one-third of the whole working population is crowded at the rate of 6 to 9 persons in a room; whilst in Ahmedabad 73 per cent of the working classes live in one-room tenements at the rate of four or more in each room, and this in pre-war days! These figures stand

in striking contrast to those of London, where only 6 per cent of the total population lives in one-room tenements, with an average of 1.92 persons per room.<sup>1</sup>

Obviously such overcrowding can never be conducive to family life. And yet hundreds of thousands of adults of both sexes, and boys and girls, are growing up under these conditions in which no provision can be made for what are ordinarily called the decencies of life. Since both sexes have to share the same room for all purposes, modesty, as that term is understood, is an impossibility for many living under such conditions. All the normal functions of life are witnessed in the daily environment. Birth, disease, co-habitation and death may all take place in the presence of the inmates in the restricted space of the single room. Self-respecting workers, therefore, prefer not to live under such conditions with their families. They leave them in their village homes, and live in the city as single men. This situation makes the city's population masculine in character.

For instance, the number of women per 1,000 males, according to the census of 1931, was only 475 in Calcutta, 553 in Bombay, 697 in Karachi and 698 in Cawnpore. This tendency to leave their families behind owing to unsatisfactory housing conditions is greater in the case of workers who come from distant parts. Out of over 83,000 persons in Bombay from the United Provinces, there were only about 14,000 women. Similarly, out of 21,000 from Madras, there were some 6,000 women, and out of 8,500 from the Punjab, about 1,600 were women. Hence, out of Bombay's population of 1,200,000 in the pre-war years there were approximately 415,000 females.

Similarly, there is an ever-increasing army of single women engaged in factories and other occu-

\* Since the War brought about many dislocations and changes, the figures used in this article are not recent ones but are pre-war statistics, which are really more representative of normal conditions.

pations. Unmarried young women, widows and deserted women form a good proportion of women workers. The existence of such non-family groups in industrial cities gives rise to serious problems of personal and social disorganisation.

One among such problems is that of living family-less in such a way as to save as much as possible for village dependants. Very often several single men join together and share a room ; sometimes one finds as many as 20 men living in a single room. In some cases, night and day shift workers rent a room together, one set keeping it warm by day, and the other by night ! Hundreds of others, who cannot find accommodation at low rates, live in the streets and sleep on the pavements, doorsteps and verandahs of godowns in the vicinity of the harbour. Often widows make a living by giving these homeless workers their morning and night meals at low cost.

To reduce the high cost of living, quite a few of the working class families take single men or women as lodgers. But the stranger in the home is often a cause of disruption of marital and family relationships. His or her presence reduces the family's privacy and complicates the problems of daily living. Too often the lodger's presence is a source of moral danger to growing children. Many decent families do not live in chawls where there are too many single men because of the moral risks and lack of privacy involved. This is why many chawls in Bombay, in spite of their cleaner surroundings and better sanitation, were not fully occupied during pre-war years.

The villager's scheme of life has for its frame of reference not the city but the village community which is a small homogeneous and relatively social group. Though isolated, it is really a well-integrated and self-sufficing social organization whose unit is not the individual but the group itself. Hence, the

individual is a member of a fixed system from which escape is normally impossible.

The most noteworthy feature of this village society, is the caste and joint family systems which control, mould and define the social behaviour of its various members, and promote their welfare through co-operative effort and projects of mutual aid. The villager's birth, therefore, determines irrevocably the whole course of his social and domestic relations ; he must through life eat, drink, marry and give in marriage in accordance with the usages of the social group into which he was born.

Whatever might have been its merits in ancient days, caste system which governs the life of the villager of today is a vast engine of oppression and intolerance. Hence, the village environment is most uncongenial to the development of initiative, individuality and enterprise in those who receive orders and obey them unconditionally. The lower classes in particular are subjected to numerous disabilities ; they are shut out from any prospect of social and economic amelioration, and condemned without any hope of release to the fate of helots.

The most tragic aspect of such oppression of the lower classes in the villages is the development of an outlook of despair and dependence, of lack of confidence in their own capacity to lift themselves and control their destiny. Man after all is a creature of habits and to most of the rural inhabitants life consists, in a large measure, of habitual response to the demands of a fixed social system.

The working population of the city is, as has already been pointed out, made up mainly of villagers who are born and bred under such social conditions. As a result, they bring with them into the complex urban environment the habits, attitudes and values which had been called forth by the relatively simple conditions of their village homes. With their rustic

patterns of thought, they are forced to struggle with the city's sophisticated ways of doing and behaving.

Thus the problem of adjustment becomes particularly difficult ; for, no greater contrast can be imagined than that which exists between the conditions of life and labour in the villages and those in an industrial city. The greater the change, and the more suddenly it is made, the more difficult is the problem of adjustment, because the village migrants are confronted with the necessity of making a transition from one group of standards to another, from a simple rural culture that is old and fixed to one that is new, more complex and in a state of flux. Deprived of the guidance of the rural social group which dominated their life, they are now obliged to face more or less alone the problems which are peculiar to city life.

The villager in the city has to learn to use new sanitary facilities, new means of transportation, to work in close proximity with people of other castes and to live with others who are likely to be complete strangers. In the country, the intimacy of the primary group played a large part in his whole scheme of life. His conduct was largely governed by the modes of the group in which he found his refuge.

But in the city he finds himself out of place, being different from the city folk. Hence he becomes more or less detached, knowing many people casually and few intimately. He comes into contact with varied modes and folkways. His old absolute standards of right and wrong are often shaken and challenged. He lives in a hideous overcrowded tenement in a blighted area where anything like a real home life is out of the question. There he soon discovers that all inhibiting neighbourhood sentiments, to which he was accustomed in his village, are absent, and that because of their absence the prostitute, the gambler and others of their ilk find it convenient to establish their resorts in such areas. The bad environment



and the lack of suitable housing accommodation soon force him to send his family back to his village, and lead a lonely life in the city.

Further, under the conditions of city life, village community sanctions and prohibitions easily lose their significance ; customs applicable to everyone in rural localities seem to apply to a few or to nobody ; differences of religion, language, province and economic conditions breed internal conflicts and disrupt cultural habits ; the lack of privacy in the crowded tenements destroys the privilege and relaxation of home. Out of such conditions grows an increasingly loose family relationship ; the familiar restraints, standards and ideals of sex conduct also break down, and naturally that bundle of emotional attachments, which underlie sound family life and the orderly relationship with neighbours, begins to disintegrate. The ties which gave village life its corporate and organic character are loosened ; new ties are not easily formed ; and life tends to become individualized.

The health of the worker may also be subjected to a severe strain owing to differences of climate, a defective dietary, excessive congestion, lack of sanitation and the temptations of enforced separation from the family. Further, he lives and works under conditions and circumstances which are new in his experience and completely at variance with anything he has had to face previously. In the village he was used to spasmodic work with long intervals of leisure, and he is now required to work continuously and to order. Disciplined hours of toil are a strain to the body that is unaccustomed to them, and they also involve corresponding strain on the mind which is often underestimated. The stress and strain of long hours of work, poor food, suppressed or thwarted impulses produce fatigue which is deepened by a sense of loneliness, for nowhere does a single person feel so lonely as in a big city. And the lack of recreation, anonymity of city life and bad companions lead him to seek questionable pleasures.

But that is not all. To overcome depression and the physical discomforts of cheerless conditions of living, the unhappy, maladjusted worker gradually takes to drink. According to the inquiry made into the working class budgets a few years ago by the Labour Office of the Bombay Government, it was found that between 8 and 10 per cent of the income is spent on liquor by those members of the working class families who drink, and that the single man spends more on drink than the man living with his family. Alcohol loosens his social inhibitions and releases the lower impulses of his nature. He, therefore, becomes quarrelsome and heedless of the welfare of his family and of others in the community.

Naturally, the prostitute becomes his sole recreation. Since prostitution is intimately bound up with personal and social disorganisation, there is an alarming growth of this social vice in the industrial city. Then too there is a rapid spread of venereal diseases first in the city and later in the village with the return of the worker to his home. Further, he often forms an irregular union in the city which has a disastrous effect on his family life. Sexual immorality plays a large part in family disharmony. It not only lowers ideals of marriage held by one or the other of the parties, but it often excites jealousy which leads to all kinds of friction, frequently ending in desertion. If we would reduce the fast increasing menace of immorality, vice and crime, we should take steps to protect the non-family groups from personal disorganisation by providing them suitable housing accommodation, with recreational facilities, education and other amenities of life.

The urbanization of the villager results most often in the disintegration of the personal relationships envisaged in the patterns of behaviour developed over long periods of subjection to an entirely different environment. Moreover, the rural migrant himself tends to become unsettled. He misses the intimate

associations and the personal status, however humble, that went with village life. The village culture played a large role in the formation of his habits of thought and life. He was patterned, shaped and moulded by the culture traits of his village. And now all of his habits and aptitudes formed in one environment are subjected to the stress of readjustment and reorganization to meet the new situation. In the village society, he played certain well-defined roles; under changed social conditions, he must reorient himself as roles are defined for him by social groups under whose influence he now lives. If he is handicapped physically, mentally or emotionally, this redefinition of the self is more difficult; even in the case of normal or superior persons a serious wrench is experienced when new responses are demanded by changed circumstances. Naturally, therefore, when the traits and complexes already formed are inconsistent with the requirements of city life, they produce strain, tension and conflict. Thus the emigrant villager gets into all sorts of difficulties, becoming finally a problem to himself and a menace to the civic life of the city

Similarly, young unmarried women, widows and deserted women who work in the city are also exposed to moral dangers. Large numbers of women now work in factories, and their supervision by male jobbers leads to serious abuses. Even where women workers are placed under the supervision of women, known as *naikins*, the greater evils arising from male supervision are not always eliminated. They need greater protection both inside and outside the factory. Such protection can only be provided if there is proper housing, and enlightened supervision.

But housing projects for non-family groups have not yet received any serious consideration. No doubt, fairly comfortable housing accommodation for non-family groups of the higher working class is available in all big cities. But unfortunately the poor non-

family groups, are the ones which are allowed to drift owing to the lack of planned accommodation.

No housing projects for non-family groups can be put through on a commercial basis, since they belong to the lowest wage-class. Commercial enterprise will naturally find it economically impossible to provide adequately for them. In the case of women, wages are relatively low. Their small wages make it impossible for them to pay rentals that will bring an adequate return on the investment.

The problem of housing single women workers is further complicated by the recognition of their need for social protection as well as the amenities of life. Such amenities cover decent rooms, wholesome food at reasonable prices, and some provision for cultural and recreational life. This kind of work is being done by the Y. W. C. A. for the better-class women. Why cannot an effort be made by some private or public enterprise to provide such housing facilities for the less fortunate and helpless women ?

In planning housing projects for non-family groups, we should see to it that the houses for single women are close to the heart of the city. This arrangement is necessary because of the importance of accessibility to work without loss of time and expense of transportation, and also as a measure of protection to those women who may have to return after dark from work or shopping.

Thus, to stabilize its working population, our industrial cities must effect improvements in the conditions of living and provide a more congenial environment for them. Conditions of living together in great aggregations require new adjustments, quite different from the pattern that had been worked out in the villages. There is a break with traditions and patterns of conduct developed and approved by the village group in response to conditions of life foreign to the city. The city must, therefore, adjust

its arrangements so as to protect the newcomers, and aid them in the struggle to adapt themselves to changed circumstances. Hence comes a challenge to all those interested in the housing of the urban working classes to strive to bring the various traditional objectives of urban housing policy—slum clearance, reducing overcrowding of dwellings, and decrease of rents—under the wider aim of family protection and welfare ; it is most important to link housing to family needs and welfare if lasting improvement in family life is to be effected. And further they should also devise methods of training the migrant workers in the art of living in the city, and making their reorientation to city conditions easy and gradual.

## CHAPTER IX

# CHILD LABOUR IN INDIA

By P. S. Narasimhan

Accurate and detailed statistics relating to the number of children employed in India's agriculture, trade, industry, mining and transport are not available, but there are several secondary indications that a great proportion of the country's children is engaged in earning a living instead of receiving education, general as well as vocational, which is so necessary to equip them for their future life. According to the Census of 1931, of a total population in British India of 256.32 millions, as many as 63.11 millions were children in the age group 5 to 15, but the number of children attending school in 1939-40 was only 14.1 millions.<sup>1</sup> The extremely low level of the earnings of adult workers, the absence in India of any State-sponsored scheme of family allowances to enable poorer parents to ensure for their children an adequate and balanced diet and decent living conditions—such allowances are granted today in a number of countries, such as Australia, New Zealand, the United Kingdom, France and the U. S. S. R.—the non-existence of any general scheme of compulsory education up to a prescribed minimum age forcing children to attend school, the slow advance of protective labour legislation which has yet to cover the most important avenues of employment in the country—viz., its agriculture, which employed in 1931 as high a proportion as 65.8 per cent of its total working population, its unorganized and small-scale industry which employs many times the number of workers employed in the

1. Figures exclude Burma. Compiled from the *Statistical Abstract for British India, 1930-31 to 1939-40*. Table No 13 and Table No. 72.

large-scale factories using machinery,<sup>2</sup> and its trade — the fairly widespread evasion of even the few enactments seeking to protect labour owing to the inadequacy of the inspection machinery evolved by the State, all indicate that a considerable proportion of the children not attending schools is sent out to work to supplement the meagre earnings of the parents. There can, therefore, be no doubt that a considerable amount of child labour is employed in India in her agriculture, in her large-scale industries and in the innumerable handicrafts scattered throughout the country.

#### I. EMPLOYMENT OF CHILDREN

Children are mainly employed in India today in agriculture, in trade, in the innumerable unregulated workshops relying on hand processes, in plantations growing tea, coffee and rubber and in factories employing mechanical power. No accurate statistical information is, however, available as to the number of children employed in India's agriculture, trade and small-scale industry, though according to all available indications these employ many times the number of children working in India's plantations and factories.

*Plantations.* Major plantations for the cultivation of tea and coffee began to develop in India in the latter half of the 19th century and from the very start employed considerable numbers of women and children. Today the plantation industry in India employs as many as 1,091,451 workers and of these as many as 771,916 workers are employed in the tea plantations in North India, mainly in Assam and Bengal. The other chief plantation area in India is South India, where, in addition to tea, coffee and rubber are also grown.

2. In 1931, the latest year for which occupation statistics are available, 15,352,953 persons were employed in industry in India, but of these only 1,431,487 persons or less than 10 per cent were employed in factories coming under the Indian Factories Act.

In all the chief plantation areas considerable numbers of children are employed, mainly in the harvesting of tea and coffee. Children in plantations start working from the age of six or seven and, according to the recent *Report on an Enquiry into Conditions of Labour in Plantations in India* submitted by the Labour Investigation (Rege) Committee children below 15 constitute about 25.7 per cent of the total number of workers in the Dooars in Bengal, 21 per cent in Darjeeling, 14.5 per cent in the Assam Valley, 16 per cent in the Surma Valley, 11 per cent in the tea and coffee gardens in South India, but only 4.1 per cent on the rubber estates.

Detailed figures relating to the employment of children in plantations, available only for the tea gardens of Assam, indicate certain broad trends. First, between 1927.28 and 1938.39 the number of children<sup>3</sup> registered in the labour books of the estates declined steadily from 96,313 or 26 per cent of the total number of children on the estates, to 81,698 or 14.7 per cent. During the same period, the average daily working strength of children declined from 67,281 or 18 per cent to 58,831 or 10.6 per cent of the total number of children living in the gardens. Part of this decline in the volume of child labour must be attributed to the world economic depression, but it is significant that the decline followed the visit to Assam in 1929.30 of the Royal Commission on Labour in India which recommended a minimum age of 10 years for the employment of children in tea gardens. Secondly, during the years following 1938.39, the war-time shortage of labour has led to a definite increase in the number of children employed in tea gardens. The number of children on the books of the estates rose from 81,098 or 14.7 per cent of the children living in the gardens in 1938.39 to 104,085 or 18.5 per cent in 1941.42; and the average daily working strength rose from 58,831 or 10.6 per cent of the total in 1938.39 to 70,122 or 12.2 per cent in

3. Persons under 16 years of age.



1942-43. The long-term or secular trend in the plantation industry, however, would seem to be to dispense with the employment of children as is shown by the fact that the number of children on the books of the estates again fell from 104,085 in 1941-42 to 86,520 or 15.1 of the total children in 1943-44.

As regards the other plantation areas in India, accurate figures of the number of children employed are not available, but, basing ourselves on the data provided by the Rege Committee's Report referred to above, we might put their total number at about 65,000. The number of children employed in plantations in British India may, therefore, be roughly estimated at about 150,000.

*Factories.* Industrial enterprises in India fall into three broad categories : (1) factories using machinery and mechanical power and employing more than 20 persons ; (2) factories using machinery and mechanical power but employing less than 20 persons ; and (3) workshops which do not use mechanical power but employ a substantial number of persons. Only the first class of undertakings comes under the Factories Act automatically,<sup>4</sup> though a few undertakings of the last two classes have been brought under the provisions of the Factories Act by the Provincial Governments by notification under section 5 (1) of the Factories Act, 1934. Accurate statistics relating to the employment of children are available only for the industrial undertakings coming under the scope of the Indian Factories Act.

Factory industry began in India in the later half of the nineteenth century, and, as in all the other countries which have passed through the Industrial Revolution, in the early days a considerable amount of child labour was employed in India, particularly in the cotton and jute mills. Between 1892 and 1923

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4. By the Factories (Amendment) Act, 1940, the provisions of the Factories Act regarding health, safety and hours and conditions of work relating to children and adolescents were extended to all small factories which employ 10 or more persons and use mechanical power.

the number of children employed in factories increased from 18,888 to 74,920—an increase of about 295 per cent in three decades. The percentage of children to the total number of workers employed in factories, however, had already begun declining in 1912 and between 1923 and 1939 the decline was not only relative but also absolute, as is shown by the following figures :

*Daily Average Number of Workers Employed  
in Specified Years<sup>5</sup>*

Year	Total Employment	Children	Percent of Children to Total No. of Workers
1892	316,816	18,888	5.96
1912	869,643	53,796	6.2
1923	1,409,173	74,620	5.3
1939	1,751,137	9,403	0.54
1942	2,282,337	11,804	0.52
1943	2,437,320	13,484	0.55

In 1940, the number of children employed in factories had come down to almost one-eighth of the 1923 figure.

This decline in the number of children employed is reflected even more clearly in the cotton and jute mills which in 1920 employed as many as 79 per cent of the total number of children employed in all factories but in 1943 employed only about 9 per cent of the total :

5. Figures for 1892, 1912 and 1923 include Burma. The decline in the number of children employed is even greater than these figures suggest, as between 1892 and 1934 the minimum and maximum ages of children were raised from 9 to 12 and 14 to 16.

SOURCES :—*Industrial Labour in India*, I. L. O., Geneva, 1938, page 41 ; *Statistics of Factories* subject to the Indian Factories Act, 1934, for the year ending 31-12-1940 ; and the *Indian Labour Gazette*, November 1944, pages 160-161.

*Children in Textile Factories in Specified Years*

Year	Children in All Factories	Children in Textile Factories			Percent of All Factory children
		Cotton Mills	Jute Mills	Total	
1920	67,436	24,910	28,680	53,590	79
1943	13,484	1,196	43	1,239	9

This steady fall in the number of children employed in factories may be attributed partly to the progressive strengthening of the provisions of the law relating to the employment of children, partly to the world economic depression in the 'thirties' which hastened the tendency to dispense with child labour (e.g., between 1930 and 1931 alone the number of children employed in factories decreased by no less than 11,040), and partly to the change in the policy of some employers who attempted to substitute child by adult labour on economic grounds and owing to the extra clerical and other work involved in the employment of children.

In the years following 1939, however, the trend has been slightly reversed owing to the war-time demand for industrial labour. The number of children employed in factories rose from 9,399 in 1940, to 13,484 in 1943, a war-time increase of about 43.5 per cent in a four-year period. During the same period, the total factory employment, however, increased from 1.75 million to 2.44 million or by as much as 39.4 per cent, leaving the percentage of the children employed in factories to the total number of workers employed almost unchanged at 0.55 per cent in 1943 as against 0.54 per cent in 1939. The war-time increase in the number of children employed in factories coming under the Indian Factories Act, does

not, therefore, indicate any serious attempt to substitute adult by child labour and in the post-war period the secular trend for the number of children employed in factories to decline is most likely to reassert itself.

As regards inter-provincial distribution, the largest number of children are employed in factories in Madras. Out of a total of 13,484 children employed in all factories in British India in 1943, Madras employed as many as 4,662 or 34.6 per cent; followed by the U. P. with 1,867 or 13.8 per cent; the Punjab with 1,829 or 13.5 per cent; Bengal with 1,536 or 11.4 per cent; and Bombay with 1,434 or 10.6 per cent. Here, again, developments during the war period reveal some significant trends. Between 1940 and 1943, the Punjab and the U. P. registered the largest increases in the number of children employed, the increase being as great as 177.1 per cent in the Punjab and 103.2 per cent in the United Provinces. On the other hand, in the provinces which are relatively mature with regard to industrial development the increase in the number of children employed was less marked. Thus, in Madras, the number of children employed increased by only 21.5 per cent and in Bengal by 25 per cent.

*Number of Children Employed in Factories in Major Industrial Provinces, 1940-43 .*

Province (1)	No. of Children Employed in Factories		Increase between 1940 and 1943 (4)	Percentage of Column 4 to Column 2 (5)
	1940 (2)	1943 (3)		
Madras	3,837	4,662	825	21.5
Bengal	1,228	1,536	308	25
U. P.	919	1,867	948	103.2
Bombay	770	1,434	664	86.2
Punjab	659	1,826	1,167	177.1

These figures would seem to justify two broad conclusions. Firstly, in the provinces which were already industrially developed on the eve of the outbreak of the war, there was already a reservoir of industrial labour and consequently less need to draw on child labour. Secondly, most of the additional children who were employed between 1939 and 1943 were employed in the miscellaneous group of industries which have developed during the war period in the up-country areas, rather than in established industries such as textiles and engineering. Thus between 1939 and 1943 the number of children employed in cotton and jute mills actually declined from 2,370 to 1,239. On the other hand, the number of children employed in cigarette and glass factories and in rice mills seems to have increased. In the four cigarette factories in Bengal investigated by the Labour Investigation Committee the number of workers employed increased from 2,689 in August 1939 to 5,464 in January 1944, and during the latter year children below 15, and, in some cases even below 12, were found to be employed on a piece basis though normally the industry employed few children.<sup>6</sup> The average daily employment in glass factories rose from 8,954 in 1939 to 18,328 in 1943, and, according to the relevant Rege Committee Report, "practically everywhere children below 12 were found to be employed." In many cases children were found to have been tutored to say that their age was 18, and in 90 per cent of the cases, the certificates of age required under the Factories Act from a certifying surgeon had not been obtained. Considerable numbers of children are also employed in rice mills where employment has gone up from 47,446 in 1939 to 51,385 in 1943, though accurate figures relating to the number of children employed are not available. Very often the names of the children are not found on the registers, and in some cases children are claimed to work as substitutes for their mothers. Illegal em.

6. Report on an Enquiry into Conditions of Labour in the Bidi, Cigar and Cigarette Industries (1946), page 60.

ployment of children is not uncommon in various parts of India. Most of the war-time increase in the employment of children in factories would, therefore, seem to have occurred in the newer industries which are smaller and are more scattered, and with regard to which the machinery for the enforcement of labour legislation has not yet been perfected.

The great majority of the children employed in Indian factories are boys. The custom of early marriage and the universality of marriage the wide-spread prejudice against sending girls outside their home to earn their living, the caste system, the joint family system and the *purdah* system have all militated against the employment of girls in factories; and in 1942, out of a total of 11,804 children employed in all factories, only 2,010 or 17 per cent were girls. The great majority of the girls in factories are found in Madras and Bombay. In North India where stricter *purdah* is observed, almost no girls are employed.

*Number of Girls Employed in Factories, 1942*

Madras	1,284
Bombay	318
Bengal	56
Punjab	1
U. P.	Nil
Sind	Nil

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Total British India 2,010

(*Indian Labour Gazette*, May 1944, page 297)

**Mines.** Mines coming under the Indian Mines Act provided employment to 301,504 persons in 1939, and 347,018 persons in 1941. Till the effective enforcement in 1926 of the Indian Mines Act of 1923, children below 12 were employed in a number of Indian mines, though the proportion of such children

declined from 4.9 per cent of the total number of workers in 1901 to 3.5 per cent in 1921 and 1.6 per cent in 1927.<sup>7</sup> In 1925, the last year for which detailed figures with regard to the children employed are available, out of a total of 4,135 children employed in mines, as many as 2,031 or 49.1 per cent were employed in mica mines, 29.3 per cent in coal mines, 11.2 per cent in limestone quarries and 10.4 per cent in others.<sup>8</sup> In 1926, the Indian Mines Act of 1923, which prohibited the employment of children under 13 years of age, became completely effective, and the subsequent reports of the Chief Inspector of Mines in India do not give separately the number of children employed in mines.<sup>9</sup> In 1935 an amending Act raised the minimum age for admission to employment in mines to 15 and the legal position today is that no children can be employed in mines. In actual practice, however, the prohibition against child labour does not seem to be effective except in coal and iron mining. For instance, according to the recent Rege Committee's *Report on Labour Conditions in the Mica Mining and Manufacturing Industry in India*, in all the three mica mining areas in India, Bihar, Madras and Rajputana, children are quite openly employed for underground work; the Report estimates that about 1,250 children are employed in the mica mines in Bihar alone and another 5,000 in the mining and manufacture of mica in Madras and Rajputana. Again, in most mining areas the law relating to mines does not apply to mines worked for prospecting, to surface workings or *uparchallas*, and to labourers employed through contractors and there is considerable scope for the employment of children. Detailed statistics, however, are not available.

*Unregulated Factories and Workshops.* It is, however, in the unregulated factories that the worst evils

7. Compiled from the Annual Report of the Chief Inspector of Mines in India for the years indicated.

8. Annual Report of the Chief Inspector of Mines in India, 1925.

of child labour are found today. A few of these are factories which use mechanical power but employ less than 10 workers, but the great majority are workshops which do not use any mechanical power, rely on hand processes but employ a large number of wage earners. Provincial Governments can, of course, bring such of these as employ more than 10 workers under the jurisdiction of the Factories Act by notification under section 5 (1) of the Act but this power has been only sparingly used and this class of industrial establishments is today almost entirely outside the scope of protective labour legislation. Only in the Central Provinces, the Central Provinces Unregulated Factories Act of 1937 seeks to regulate working conditions in workshops which do not use mechanical power but employ more than 50 workers; but the enforcement of the Act leaves much to be desired.

In almost all the unregulated workshops there is considerable employment of child labour, though the employment of children below 12 in a number of specified occupations is prohibited by the Employment of Children (Amendment) Act, 1939. The largest number of children is employed in workshops engaged in the manufacture of *bidi*, mica, shellac, and glass bangles and it is worth pointing out that the above Act applies to all of these except the last one. The most important *bidi* manufacturing centres in India are found in the Central Provinces and Berar, Bombay, Madras and Bengal, and in almost all these areas children between the ages of 5 and 12 are invariably employed in cutting the leaves and rolling the *bidis*. Thus the investigations carried out by the Labour Investigation Committee in a number of *bidi* workshops revealed that as many as 29 per cent of the workers employed in Vellore (Madras), 21.44 per cent in Sholapur (Bombay), 18 per cent in Madras City, 7.55 per cent in Bombay City, and 7 per cent in the Central Provinces were children." Often

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9. Report on an Enquiry into Conditions of Labour in Bidi, Cigar and Cigarette Industries (1946), page 11, 17 and 28.



children are not registered in the books of the workshops but are brought in by their parents or neighbours to assist them in their work. In Madras City, Vellore and Mysore *bidi* workers sometimes advance amounts ranging from Rs. 5 to Rs 30 to parents or guardians in return for the labour of the children and deduct the advance from the children's wages. As many as 500,000 workers are estimated to be employed in India in the manufacture of *bidis*, and assuming that children constitute on an average 5 per cent of the total number of workers, the number of children employed in the manufacture of *bidis* alone should be as high as 25,000 or almost twice the number of children employed in all the large-scale factories put together.

As regards the workshops engaged in the manufacture of mica, the Labour Investigation Committee records that the employment of children between 6 and 12 years of age is prevalent on an amazingly wide scale in open defiance of law; and the Committee states with surprise that child labour was employed even at the Government factory at Pachamba in Bihar! With the recent war-time demand for labour in the coalfields, the employment of children seems to have increased appreciably in Bihar, and the Committee's report puts the total number of children employed in the mica industry (*viz.*, in mines, in workshops and in home work) at about 12,000. Children under 12 years are employed mainly in the sorting and splitting of small size mica, in sickle-dressing mica, and in screening the loose splittings of mica to remove the extremely small pieces, the percentage of children under 12 to the total number of workers being as high as 50 in the last named process.

The main centres of the shellac industry in India are Bihar, the Central Provinces and Bengal; and, out of an estimated total of 352 shellac factories in British India only 38 came under the jurisdiction of either the Factories Act, or the Central Provinces Unregulated Factories Act in 1942. Here also, as in

the case of mica, the Employment of Children (Amendment) Act is openly disregarded, and a considerable number of children below 12 are employed as *pherwayas*<sup>10</sup> in the sheds where shellac is melted. No accurate figures of employment are available but in the six shellac factories surveyed by the Labour Investigation Committee children were found to constitute about 5 per cent of the working force. On the safe assumption that the other shellac manufacturing centres also employ the same proportion of children, the number of children employed in the shellac industry in India may be put at about 1,800.

Another typical workshop industry in which production is carried on by hand processes is the making of glass bangles. The most important centre of this industry in British India today is Firozabad in the U. P., which employs as many as 6,000 workers in its bangle-making shops, and according to the Labour Investigation Committee, even on a conservative estimate at least 35 per cent of this total are children below 12. In the joining shops the open ends of glass rings are welded together, mostly with the help of kerosene lamps, and children about 6 or 7 years old are employed as *juraiyas*, i.e., joiners who join the ends of the bangles over a kerosene lamp flame; *sadhaiyas* who heat the glass rings; and *pankhavalas* who beat the bellows.

Considerable numbers of children are also employed in the carpet-weaving industry in the picking and sorting of wool; in the weaving, printing and dyeing of cloth; in leather tanning and in soap manufacture, but very little detailed information is available.

Two other important occupations in India where considerable numbers of children are employed are agriculture and trade. In almost all the rural areas

10. The '*pherways*' rotates the wooden wheel to which one end of the long cloth bag containing seed lag is attached, the other end being held near the fire by the skilled worker, viz., the *Karigar*.

of India children begin to help their parents in field work at a very early age and school-going is exception rather than the rule. During the busy season a considerable number of children is employed as wage-earners. As regards trade, a casual visit to the bazars of any Indian town will reveal that large numbers of children are employed as shop assistants. In both cases, however, very little statistical information is available regarding the total number of wage-earners employed, the age composition of the working force and the long-term employment and wage trends.

## II. WORKING AND LIVING CONDITIONS

A fair wage, reasonable hours of work which will leave the worker sufficient spare time to further his intellectual and physical development, adequate protection in the workplace against accidents by devices such as the fencing of machinery, adequate health measures and sanitary arrangements in factories and workplaces to protect the health of the workers, adequate medical facilities, a balanced diet and decent housing, are obviously more important for working children than even for adult wage earners.

The wages of children in India range broadly from 30 to 50% of the wages of the adult workers in the different occupations as the following examples will show.

### *Average Daily Earnings*<sup>11</sup>

<i>Tea Gardens</i>	Men			Children		
	Rs.	As.	P.	Rs.	As.	P.
Astram Valley (1943-44)	0	8	2	0	4	8
Surma Valley (1943-44)	0	6	7	0	3	2
South India (1943-44)	0	7	0	0	3	0
				to		
				0	4	6
<i>Shellac Industry</i>						
Balarampur (Bihar) (1944)	...	1	2	0	0	8
			to			
		1	8	0		

<sup>11</sup> Data from the relevant Reg. Committee Reports.

		Men			Children		
		Rs.	As.	P.	Rs.	As.	P.
<i>Bidi Industry</i>							
Central Provinces (1944)	...	Piece rates			{	0 3 0	to 0 4 0
Madras (1944)	...	..			{	0 4 0	to 0 6 0
<i>Mica Manufacturing (Daily Wage)</i>							
	Lowest Grade	{	0 7 0	{	0 2 6	to 0 9 0	to 0 5 0
	Highest Grade		0 14 0		0 7 6		
<i>Glass Industry (1944)</i>							
	...	{	3 0 0*	{	0 12 0	to 10 0 0	to 1 8 0
<i>Carpet Weaving (Mirzapur)</i>							
		{	0 8 0	{	0 4 0	to 0 9 0	to 0 5 0

The wages of children in common with those of adult workers have, of course, gone up appreciably since 1939. Thus the average daily cash earnings of a child worker in the shellac factories at Balarampur in Bihar increased from Rs. 0.3.6 in 1939 to Rs. 0.8.0 in 1944, a rise of 129 percent; in the *bidi* industry in South India from one to two annas per day in 1939 to 4 to 6 annas in 1944; and in the tea gardens in the Assam Valley, from Re. 0.3.5 in 1938-39 to Rs. 0.4.8 in 1943-44. In very few cases, however, has the war-time rise in workers' earnings fully compensated for the steady rise in the cost of living since 1941; and it is not unlikely that the real wages of children, already low in 1939, have gone down still further owing to the war-time fall in the value of money.

As regards working conditions, the position is fairly satisfactory and has improved steadily over the past two or three decades in the large-scale plantations and in the large-scale factories.

Daily earnings of skilled workers.

The position is much better in the large-scale factories coming under the Indian Factories Act, 1934. The hours of work of children are limited by law, night work of children is prohibited, a weekly holiday is prescribed by law and a recent amendment to the Factories Act prescribes an annual paid holiday of 14 days for children.<sup>12</sup> Again, the Factories (Amendment) Act of 1940 has made it obligatory on Provincial Governments to extend the provisions of the Act relating to health, safety and hours of work relating to children to all small factories employing 10 or more persons and using mechanical power. The Factories Act of 1934 provides that factories shall be kept clean and free from effluvia arising from any drain, latrine or other nuisance, and also from impurities of gas, dust, excessive humidity and overcrowding. Rules have been framed under the Act to ensure a sufficient supply of drinking water to workers, proper lighting and ventilation and an adequate number of latrines in work places. Again, in virtue of the powers conferred by the Factories Act of 1934, a series of Hazardous Operations Rules have been framed, either prohibiting or restricting the employment of adolescents and children in a number of dangerous operations, such as operations connected with lead; the manufacture or recovery of carborates; the manufacture of sulphuric, nitric and other acids and of bleaching powder; cellulose spraying; sand blasting; and work in petrol gas generating plants. Rules have been framed for the fencing of dangerous machinery; and, since 1891, the law has prohibited the employment of women and children in cleaning millgearing of machinery or in work between the fixed or traversing parts of any self-acting machinery while it is in motion.

In seasonal factories and in a number of smaller factories engaged in the relatively newer industries, such as glass manufacture and rice milling, however,

12. For details, see Section 3 below.

working conditions are extremely unsatisfactory owing to widespread evasion of the law. Many of these are housed in buildings defective in construction and totally unsuited to the Indian climate. The restrictions on the hours of work of children and the provision for a weekly holiday are invariably ignored ; overtime is not paid for and accidents are not reported. In the cotton ginning factories, in rice mills, in tea curing factories and in glass factories arrangements for the elimination of dust are often inadequate and this gives rise to pulmonary diseases. According to the Labour Investigation Committee, in most of the glass factories, the basic materials for the batch, viz, silica, soda ash, calcium oxide, borax, saltpetre, etc., are mixed by workers in closed rooms and the workers are provided with neither dirt respirators, nor goggles nor handgloves. Again, there is almost no arrangement for the control of temperature, and the results are particularly disastrous in the glass and shellac factories, where children of tender age often have to work near open furnaces in the extreme heat of North India and cases of fainting are not uncommon. In the glass factories, small pieces of glass are scattered over the entire compound and redhot electric wire is sometimes employed to cut the tubings; but the children are supplied neither wooden sandals nor gloves, and are often found to work with burns and cuts in their bodies. In almost all the seasonal and most of the smaller factories, the provisions of the Factories Act relating to the periodical whitewashing of buildings, the supply of drinking water and the provision of latrine accommodation on a prescribed scale are wholly evaded. Lastly, the Labour Investigation Committee found that in most of the glass factories and rice mills the first aid box was generally empty. In one of the rice mills investigated by the Committee the box was not even available and when questioned, the employer stated that he believed in the Ayurvedic system only !

With working conditions so unsatisfactory in even the smaller factories coming under the scope of the Factories Act the position in the unregulated workshops which do not use mechanical power but employ much larger numbers of children can be better imagined than described. First, in spite of the Central Provinces Unregulated Factories Act of 1937 which prescribes a minimum age of 10, and the Employment of Children (Amendment) Act of 1939 prohibiting the employment of children below 12, in a wide range occupations including *bidi* making, carpet making, mica cutting and splitting and shellac manufacture, thousands of children below 12 are employed in open defiance of the law. Secondly, the hours of work of children are entirely unregulated and children work the same number of hours as adults<sup>13</sup>. In the shellac industry where the child worker helps his master to melt shellac, and in the *bidi* industry where the children help adult workers to roll *bidis*, children are forced to work as long as the adults, and the Rege Report on labour conditions in the *bidi* industry cites instances of workers in Vellore (Madras) who have a watch or timepiece to exact work from the children by the hour. Thirdly, almost all the workshops, whether they are the *bidi* workshops of Bombay or the glass bangle factories of Firozabad, or the shellac factories in the Central Provinces, or the mica splitting factories in Bihar, are dark and dingy places with inadequate accommodation, little good ventilation and lighting, and almost no arrangements for the supply of good drinking water and for latrine accommodation. Thus, of the *bidi* factories in Bombay investigated by the Labour Investigation Committee, 57 percent had a floor area of less than 10 square feet per worker, and in one of the *bidi* workshops at Nipani "within a small enclosure 14 workers were squatting on the floor with scores of bags of wrapper leaves heaped

13. For instance, in the *bidi* workshops in South India work begins at 8 a.m. and closes at 9 or 10 p.m. and the children work about 10 hours day.

in one corner and stocks of tobacco in another". In most of the shellac factories in the Central Provinces there is no provision for urinals and latrines, no rest shelters for the workers for meals and rest, and the water used for washing stick-lac is allowed to stagnate for a fortnight thus emitting a horrible stinking smell. The position as regards the supply of pure drinking water is the same and according to the *Report on an Enquiry into Conditions of Labour in the Bidi, Cigar and Cigarette Industries*, the bidi workers in Bombay City are expected to go to the nearest restaurant! These deplorable working conditions reach their worst in the unregulated workshops engaged in the manufacture of glass. In the glass bangle joining workshops of Firozabad children below 12 have often to work as long hours as 10 or 11 a day, in rooms stuffed with the fumes of kerosene lamps, often behind doors which have been closed to stop draughts of wind from making the flame unsteady. According to the Rege Committee's *Report on Labour Conditions in the Glass Industry* it is almost "impossible to describe sufficiently and accurately the wretched conditions in which labourers work". No wonder the children in the glass industry look "emaciated, anaemic, myopic and gloomy" and invariably suffer from rickets and eye diseases.

As regards the thousands of children working in India's trade and agriculture little definite information is available, but as working conditions are almost wholly unregulated by law<sup>14</sup> the position is not likely to be much better, though, in agriculture, sanitary arrangements to ensure a healthy working place are not as necessary as in the case of industry and trade.

Low wages and insanitary places of work are naturally accompanied in India by extremely unsatisfactory living conditions. With wages as low as they are in India, few workers can afford to give their

14. In Bengal, Bombay, the Punjab and Sind working conditions in commercial establishments in a few notified urban areas have been brought under legislative control recently by provincial Shops Acts.



children a balanced diet, and the great majority of the working children in India are hopelessly under-nourished and get very little of the protective foods like milk and vegetables which are so vital for their proper physical development. The position should have grown worse during recent years as, in most cases, the workers' cost of living has increased much faster than workers' earnings; but except for the larger tea and coffee plantations which are now experimenting with the free feeding of children on plantations, and the sale of food stuffs to workers at concession prices by the larger planters and a few of the bigger factories, there has been little organized attempt among employers in India to correct the malnutrition of working children by schemes of free or subsidised feeding.

Again, except in the major plantations and a few of the major mines and factories, there has been little organized attempt in India to ensure for the wage earning class that decent housing with adequate ventilation, lighting, drainage, and sanitary facilities which is so essential for the healthy growth of children. In almost all the major industrial and mining centres, the workers crowd together in insanitary *bastees* with a foul smell in the air, in one room tenements which know neither ventilation nor light and are, therefore, veritable dens of disease. The *Rege Committee's Report on Labour Conditions in the Shellac Industry* cites the instance of a worker in Bihar who lived in a room (hired at one rupee a month), 8 ft. by 6 ft., with his wife, 2 grown up daughters and children, the members of the family sleeping in the room by turns, and such instances are the rule rather than the exception. In the plantation areas, houses are provided by the employers, but, here again, overcrowding is common—according to the *Report on an Enquiry into Conditions of Labour in Plantations in India* it is 'common to find 8 to 10 persons in a room in the South Indian plantations—and the position with regard to sanitation is ex-

tremely unsatisfactory. In the plantation as well as the mica mining areas, the absence of a sufficient number of latrines has led to a high incidence of hookworm disease, and, in the latter, the absence of clean drinking water causes fairly widespread dyspepsia. Another characteristic feature in India is the almost total neglect by employers of the education and health of working children. No scheme of compulsory and free education has yet been introduced in India, and only in the plantation areas have the larger employers attempted to provide some kind of education for the children living on the estates. Thus, in the Assam tea gardens there were 392 schools in 1943-44, but the number of children on the rolls amounted to only 12,122 as against a total of 572,351 children living on the estates. The extremely low level of earnings of the adult workers forces them to send their children out to work at a very tender age, and the presence of broad avenues of employment where the employment of children is almost absolutely uncontrolled by law makes this relatively easy. Again, the great majority of working children in India are employed in the relatively unorganized industries by small-scale businessmen who cannot afford to spend any appreciable amount on their education or on other welfare measures designed to improve their health. One of the striking paradoxes of the labour situation in India today, particularly from the point of view of child labour, is that as a result of labour legislation over the past two decades, child labour has actually been driven out of the relatively large-scale and well-organized industries which can afford to provide working children fairly satisfactory working conditions and a reasonable wage, to the relatively unorganized industries, such as *bidi*, shellac or glass bangle manufacture, where the scale of production is extremely small, the margin of profit erratic, and where the employers have neither the will nor the resources to ensure for the children working under them an adequate wage,

the sparetime so necessary for the pursuit of their further education, the vocational training which will secure for them a reasonable income when they grow up and the clean and sanitary places of work and adequate medical care so essential for the proper physical and intellectual development of children.

### III. PROTECTION OF CHILD WORKERS : LEGISLATIVE ENACTMENTS

*Plantations.* Paradoxically enough, in the plantation industry which employs more than a million workers of whom, about 10 per cent are children, working conditions are almost completely uncontrolled by any kind of labour legislation. The Tea Districts Emigrant Labour Act applies only to Assam, and is really emigration legislation as, beyond regulating the recruitment and forwarding of recruited labour to Assam and ensuring its right to repatriation, it does little to protect the labour actually working on the plantations. The only provision relating to children in the Act is one requiring that no child, i. e. a person under 16 years of age, may be assisted to proceed to Assam to work on a tea estate unless such child is accompanied by a parent or other adult relative on whom the child is dependent. In the whole of India, only the State of Cochin has framed plantation labour rules (these came into force on 1.5.1957) directly to control working conditions on plantations, and these provide that (a) no child under 10 years of age shall be employed on any estate; (b) no child or young person under 16 years of age shall be employed as a resident labourer on an estate without being certified fit to work by an approved Medical Officer; and (c) no child labourer or woman shall be allowed to work on a plantation except between 6 a. m. and 6 p. m. The Workmen's Compensation Act, of course, applies to all chincona, rubber, tea and coffee estates in British India where 25 or more persons are employed but as accidents

are very rare in plantations, the Act hardly affects either adult or child labour.

*Factories.* Working conditions in India's factories, however, have been steadily improved by a labour code which is being progressively improved since 1881. In the early days of the factory industry in India the unrestricted employment of women and children led to a number of abuses, and naturally, the first Indian Factories Act, 1881, was largely concerned with child labour. This Act defined a factory as any premise using mechanical power and in which 100 or more persons were employed, and contained a number of provisions relating to health and safety. It prohibited employment in factories of children below 7, prescribed a 9-hour working day with a compulsory rest interval of one hour for children below 12, and provided further that children should have four holidays in the month.

These provisions were soon recognised to be extremely inadequate, and between 1891 and 1934, they were progressively liberalised. The Factories Act of 1891 amended the definition of a factory to include any premises in which 50 or more persons were employed and Local Governments were empowered to extend the Act to premises employing 20 or more persons and using mechanical power. The minimum age for children for employment in factories was raised from 7 to 9, children were defined as persons between 9 and 14 and their hours of work were reduced to 7 a day with a rest interval of half an hour. The Factories Act of 1911 reduced further the hours of work of children employed in factories to 6 a day, required all child workers to be in possession of certificates of age and fitness for employment, and prohibited the employment of children in certain dangerous processes and during the night, i. e. between 7 p. m. and 5.30 a. m.

The next important landmark was the Indian Factories (Amendment) Act of 1922, which, among

other things, sought to give legislative effect to the International Labour Conventions sponsored by the International Labour Office on the minimum age for admission of children to employment, hours of work, and the night work of women and young persons. This Act further widened the definition of a factory to include any premises where 20 or more persons were employed and mechanical power was used and gave power to Local Governments to extend the provisions of the Act by notification, to any premises employing 10 or more persons working with or without power. A child was now defined as a person under 15 years of age and the minimum age for the admission of children to employment was raised to 12 years. The hours of work of children were limited to 6 in the day with a rest period of half an hour for children working more than 5½ hours, and in addition to medical examination for age and physical fitness before admission to employment in factories, children were now required to undergo re-examination for continuing work, if considered necessary by an inspector. Further, the employment of women and young persons under 18 in certain land processes was prohibited.

The whole position was reviewed in 1934 when an entirely new Factories Act consolidating the provisions of the earlier enactments and embodying substantial improvements was placed on the statute book. The Indian Factories Act of 1934 (as amended by subsequent enactments), which is in force today, retains the earlier definition of a factory, but introduces a new distinction between perennial and seasonal factories. In factories of either kind the employment of children below 12 years of age is prohibited, the hours of work of children (persons between the ages of 12 and 15 years) are fixed at 5 a day within a spreadover limit of 7½ hours and the night work of children between 7 p. m. and 6 a. m. (or between 7.30 p. m. and 5 a. m. in respect of

factories where the Provincial Governments have, by notification, varied the limits) is prohibited. No child is allowed to work in a factory unless he secures a certificate of fitness from the certifying surgeon and carries with him, while at work, a token giving reference to such a certificate. Children, along with adult workers, are entitled under the Act, to a weekly day of rest, but while with regard to adult workers establishments may be exempted from this rule under prescribed conditions, no such suspension of the rule is permitted in the case of children. A novel feature of the Act is the creation of a new class of "adolescent" workers, i. e. young persons between the ages of 15 and 17 years. Adolescents may not be employed as adults unless they have been medically certified as fit to work as adults. The Act also contains a number of provisions to ensure the cleanliness, proper ventilation and sanitation of the working premises and to safeguard the health and person of the operatives, both adult and children. Under the provisions of the Act, Provincial Governments have further the power to make rules in regard to hazardous operations prohibiting or restricting the employment of women, adolescents or children in operations considered particularly dangerous; and, to require factories employing more than 100 workers to provide adequate rest shelters and those employing more than 50 women workers to provide creches for their children below 6.

Important amendments to the above Act, made in 1940, 1941 and 1945, have enlarged the scope of its operation and also given additional protection to child workers in factories coming under its scope. The amending Acts of 1940 and 1941 make it obligatory on the part of Provincial Governments to extend to the smaller factories employing 10 or more persons and using mechanical power, the provisions of the Act relating to health, safety, hours and conditions of work relating to children; and empower

them at their discretion to extend these even to factories employing less than ten workers but using power and employing children. The Factories (Amendment) Act of 1945 which, for the first time in India, introduced the principle of an annual paid holiday to wage earners, while providing for an annual paid holiday of 10 days to adult workers in factories, grants to the children working in factories an annual paid holiday of 14 days.

*Unregulated Factories and Workshops.* As can be seen from the above discussion two classes of industrial undertakings do not, at present, come automatically under the scope of the Factories Act. These are (i) factories which use power but employ less than 20 workers ; and (ii) workshops which do not use mechanical power irrespective of the number of persons employed. Provincial Governments have, of course, the power to bring both these classes of undertakings, under the jurisdiction of the Factories Act by notification under Section 5(1) of the Act,<sup>15</sup> but they have made use of this power only sparingly and the great majority of this group of undertakings, which employ thousands of children, either do not come under any kind of labour law or successfully manage to evade it.

Only two labour enactments—one an all-India Act and the other a provincial Act—try, in a haphazard way, to tackle the problem of child labour in this group of industrial undertakings. The Employment of Children (Amendment) Act enacted in 1939 by the Government of India provides that no child who has not completed his 12th year shall be employed in any of the following occupations : (1) Bidi making ; (2) Carpet making ; (3) Cement Manufacture (bagging of cement) ; (4) Cloth Printing,

15. For instance, the Government of the United Provinces have, by a notification dated 22-6-1940, declared *inter alia* glass bangle factories employing 10 or more workers and using power to be factories for purposes of certain sections of the Factories Act.

dyeing and weaving ; (5) Manufacture of matches, explosives and fireworks ; (6) Mica cutting and splitting ; (7) Shellac manufacture ; (8) Soap manufacture ; (9) Tanning ; and (10) Wool cleaning. The Central Provinces Unregulated Factories Act of 1937, is, as its name indicates, a provincial Act applying only to the Central Provinces and Berar. It applies within such areas of the Central Provinces as the Provincial Government may select and even there, in the first instance, only to workshops employing 50 or more persons and engaged in the making of *bidis*, shellac manufacture or the leather tanning ; but the Provincial Government may extend the operation of the Act to other industries and to workshops employing 25 or more persons. With regard to children, the Act prescribes a minimum age of 10 years for admission to employment, requires every child worker between the ages of 10 and 14 to possess a certificate of fitness issued by a certifying surgeon appointed under the Act, limits the hours of work to seven a day between 8 a. m. to 12 noon and 1 p. m. to 5 p. m. and prohibits overtime, homework and work in more than one factory.

**Mining Legislation.** Mining on a large scale began in India comparatively late and the first Indian Mines Act was enacted in 1901. This Act applied to all excavations which were 20 feet deep and undertaken in search of minerals, and among other things authorised the Chief Inspector of Mines to prohibit the employment of women and children (defined as persons under 12 years of age) in mines dangerous to their health and safety. Its provisions for regulating the labour of women and children were, however, soon found to be inadequate, and a new Mines Act, passed in 1923 to give effect to the Hours of Work Convention of the I.L.O., limited the hours of work in mines to 60 a week above ground and 54 a week underground; prescribed a compulsory weekly holiday for all miners ; and raised the minimum age for



admission of children to employment in mines to 13. The Act was subsequently amended in 1928 and 1935, and hours and working conditions in mines in British India today are regulated by the Indian Mines (Amendment) Act of 1935 (as amended up-to-date). The main provisions of the Act relating to child labour are: (a) the employment in mines of children below the age of 15 years is totally prohibited; (b) adolescents between the ages of 15 and 17 years are allowed to work underground in mines on the same basis as adult workers but only on condition that they secure a certificate of fitness from the recognised medical authorities and bear a token of such certificate on their persons while at work; and (c) adolescents, when employed, may work the same number of hours as adult workers, viz., 54 a week and 10 in the day above ground and 54 a week and 9 in the day underground. Provision is also made in the Act for the prompt reporting of serious accidents in mines, an adequate supply of drinking water and proper sanitary arrangements, and the maintenance in each mine of reasonable supplies of first aid medical appliances, stretchers, etc., ready for immediate use.

It is, however, necessary to remember that (a) excavations carried out for prospecting purposes, and (b) labour employed through contractors do not come under the scope of the Mines Act. Surface workings and contract labour account for a considerable proportion of India's output of the less important minerals, such as, mica, manganese and limestone, and it is in this group of mining industries, outside the pale of protective legislation, that the evils of child labour are most widely prevalent.

*Transport Workers' Legislation* In the field of transport, very few children are employed on Indian Railways. As regards ports, the Indian Ports (Amendment) Act, 1931, prescribed a minimum age of 12 years for the employment of children in the

handling of goods in ports, and a later enactment, viz., the Employment of Children Act, 1938, lays down that no child who has not completed his 15th year shall be employed in any occupation connected with the transport of passengers, goods or mails by railway or the handling of goods within the limits of any port.

*Shop Workers' Legislation.* Legislation for the protection and regulation of the conditions of work of the millions of workers engaged in India's trade and commerce is of relatively recent origin and is extremely restricted in scope. The Weekly Holidays Act of 1912 enacted by the Government of India is only a permissive law enabling the Provinces, at their discretion, to prescribe one weekly holiday and a half holiday for employees in shops, theatres and restaurants. Shops Acts passed during recent years in Bombay (1939), Punjab (1940), Bengal (1940), and Sind (1940), applying, in the first instance, only to limited urban areas, prescribe the maximum hours of work, spreadover limits, weekly and in some instances annual holidays, the minimum age of employment for children and rates of wages for overtime, for employees in shops, commercial establishments, restaurants and theatres. Very little information is, however, available as to the number of child workers affected by these protective enactments.

Reference may also be made here to a few other labour enactments of a general nature which have provisions relating to child labour. The Children (Pledging of Labour) Act was enacted in 1933 to put a stop to a fairly widespread practice noticed by the Royal Commission on Labour in India, viz., needy parents pledging the labour of their children to employers. It prohibited the pledging of the labour of children below 15 years of age and declared null and void any agreement, written or oral, expressed or implied, by the parent in return for any payment or benefit from the employer. The Workmen's Com.

pensation Act, first enacted in 1923 and substantially modified by later amendments, covers a considerable number of wage earners in India's railways, ports, factories, mines and plantations and provides for the payment to them of compensation for injuries incurred in the course of their employment resulting in disablement for more than seven days. The Act provides separate scales of compensation for minors (persons below 15) and adults, for death, for permanent total and partial disablement and for temporary disablement. The Payment of Wages Act enacted in 1936 by the Government of India to prevent delays in the payment of wages, prescribe permissible deductions from monthly wages and regulate fining of industrial workers, contains a clause prohibiting the fining of children.

#### IX. ENFORCEMENT OF LAW

Not only does the law relating to child labour in India leave out of its purview India's most important occupation, viz., her agriculture, and cover only inadequately other occupations in which considerable numbers of children are employed, viz., her trade, unregulated workshops, plantations, mines and the smaller factories, but even the few laws that are on the statute book are only inadequately enforced and are often evaded.

First, in almost all the Provinces the inspectorate is too small, and "factory inspection is faulty, superficial and hopelessly inadequate".<sup>16</sup>

In a note on the working of the Central Provinces Unregulated Factories Act submitted to the Labour Investigation Committee, the Chief Inspector of Factories, C.P., admitted that "if the Act is enforced strictly the inspecting staff of this Inspectorate will have to be increased five times to put an end to the abuse of the Act." According to the Kege Committee's *Report on Labour Conditions in the Rice Mills*, in Madras, each Assistant Inspector has to look after

16. *Report on Labour Conditions in the Glass Industry* (1946), page 4.

3 or 4 districts and when he is visiting one district factories in the two or three other districts under his charge are free from any fear of prosecution. In Bihar, the entire factory inspectorate consists of one Chief Inspector and two Inspectors; and according to the *Report on Labour Conditions in the Glass Industry* some of the glass factories in the United Provinces had not been inspected for three years. Again, the training of the inspectors in law and labour matters is often not so adequate as their training in engineering and science and one of the reports issued by the Labour Investigation Committee complains that they "appeared to be more concerned with less important matters like white washing and the technical aspects of factory inspection than with human aspects of labour."

Secondly, in a number of cases, labour legislation is evaded by getting work done through contractors, by splitting up an establishment into smaller units to evade the attention of the law, or by giving out work to be done at home. All these methods of evasion are widely prevalent in the *bidi* industry. In the Central Provinces, since the application of the Central Provinces Unregulated Factories Act to the *bidi* factories, some of the bigger employers have begun to get their production done through contractors who get a commission of one anna to one anna and a half per 1000 *bidis*. The number of *bidi* factories employing more than 50 workers, and coming, therefore, under the scope of the Act, has declined steadily from 129 in 1941 to 61 in 1944 and what were formerly *bidi* rolling factories have now become merely collecting centres employing very few workers. Again, in the *bidi* industry, in the manufacture of shellac and in the making of glass bangles, child workers who are often brought in by their parents to assist them in their work, are not entered in the regular workers' registers and just run away when the Factory Inspector makes his appearance. Lastly,

in the case of many processes which can be done at home without the help of machinery, such as the rolling of *bidis*, the splitting of mica, etc., work is farmed out as home work to women and children, the number of domestic workers in the manufacture of mica alone in Bihar being estimated at as high a figure as 100,000.

Thirdly, in the context of the extremely low level of earnings of the adult workers in India, the few extra annas a child can earn become a prize which only the strongest of men can resist, and the sending out of children to work is further facilitated by the absence of any system of free and compulsory education up to a prescribed minimum age, and the presence of a number of unorganized industries and avenues of employment where child labour can be exploited with immunity. In a considerable number of cases it is the parent who is anxious to put his child to some kind of remunerative employment and colludes with the employer to evade the provisions of the law. Thus the Labour Investigation Committee has gone on record that many plantation managers in Assam maintained that child labour was not economic and that they employed children merely to please their parents. Obviously under such conditions the enforcement of any labour legislation designed to protect child labour becomes doubly difficult.

Fourthly, in the case of small and seasonal establishments, such as, rice mills, an additional complication is introduced by the frequent changes in management caused by the system of leasing out the plant. For instance, according to the *Rege Committee Report on Labour Conditions in the Rice Mills*, rice mills are often leased out from year to year and each new leaseholder has to be educated anew on the provisions of the labour law. Again, sometimes the lessee himself lets out the mill on hire to a customer for milling a certain quantity of rice, the labourers

being paid by the customer. Under such conditions, almost all labour legislation becomes a dead letter.

Lastly, the general tendency to evade the law is considerably strengthened by the illiteracy and lack of organization among the workers. When the worker is either ignorant of his rights or too weak to fight for them, and inspection is irregular and rare, the way is opened to large-scale evasion.

It is not surprising, therefore, that the recent reports on labour conditions in various industries issued by the Labour Investigation Committee should reveal a picture of almost wholesale evasion of the provisions of labour legislation except in a few large-scale organized industries. Thus in all the glass factories, both large and small, the provisions of the Factories Act relating to children would seem to be constantly violated. In the rice mills "labour legislation is treated with scant respect"; the prescribed limit on working hours is not observed and overtime is not paid for; the first aid box is generally empty; and, the manager of a rice mill in Orissa excused himself from paying any compensation when one of his workers was injured fatally while working in his mill on the ground that the accident occurred on a Sunday when, according to the provisions of law, the mill was supposed to be closed<sup>17</sup>! In almost all the small-scale factories and workshops, e.g., in the glass, shellac, *bidi* and mica factories, accidents are never reported and the provisions of the Workmen's Compensation Act are invariably evaded. The Employment of Children (Amendment) Act of 1939, according to the Rege Committee *Report on Labour Conditions in the Shellac Industry*, "is observed more in its breach than otherwise" and in the mica industry children between 6 and 12 years of age are widely employed "in open defiance of law and the employers make no secret of it."

<sup>17</sup> Report on Labour Conditions in the Rice Mills (1946), page 51,

V. PROGRAMME FOR THE PROTECTION OF INDIA'S  
CHILD WORKERS

What then is the remedy? No nation can afford to neglect its children—its future workers and citizens and a programme designed to ensure that the country's children and young persons are brought into the world and grow up under conditions which afford opportunities for their proper physical, mental and moral development, so earnestly recommended by the I. L. O. in a resolution adopted by the Paris Session of the International Labour Conference (1945), is nowhere more urgently needed than in India where ill-paid children waste away in dirty and unhealthy workplaces, for a poor pittance, the valuable formative years of their life which they should spend in equipping and training themselves for their future lives and vocations. What then should be the main features of India's programme for the protection her children and young workers?

Obviously, the first among the minor reforms in this connection should be to strengthen the inspectorate in charge of enforcing the labour legislation already on the statute book, both as regards strength and calibre. In almost all the provinces, the number of inspectors should be appreciably increased, so as to ensure more frequent inspections, their duties should be more clearly defined and in the training of labour inspectors labour law and the human aspects of the problem of inspection should be given as important a place as technical details, such as the structure of the building, the fencing of the machinery, the provision for ventilation, etc. The strengthening of the inspectorate should thus be not only quantitative but also qualitative.

Side by side with such a strengthening of the administrative machinery, an attempt should urgently be made to envisage and deal with the problem of child labour as a whole and to enlarge the scope of the protective labour legislation. All

measures to eradicate or mitigate the evil of child labour in India, hitherto, have attempted to tackle the problem only in a few specified avenues of employment with the result that child labour has been successively driven from fields where it can enjoy the protection of law, such as large-scale factories and mines, to others where it is absolutely unprotected, and, therefore, hopelessly exploited, viz., small scale workshops, shops, etc. The real remedy would seem to be to fix a minimum age for the employment of children in any remunerative occupation outside the home, and to apply it simultaneously to all avenues of employment including agriculture, trade and workshops. As a memorandum prepared recently in connection with the ninth session of the Standing Labour Committee<sup>18</sup> points out in matters regarding child labour and the health, safety and welfare of workers, there is little justification for differentiating between a workplace using power and employing more than 20 workers and another not using power and employing less than 20 workers; most of the evils of child labour in the unregulated workshops in India can be eradicated by an appropriate widening of the definition of a factory in the Factories Act. Again, working conditions in all places where children are employed might be brought under control by requiring them to take out a licence for working, and making the renewal of the licence conditional on the observance of the law and the proper treatment of children. It is worth pointing out in this connection that most of the reports of the Labour Investigation Committee reveal that working conditions are invariably better in the larger factories using machinery than in the small workshops depending wholly on manual labour.

To be fully successful, any attempt on the above lines to prohibit the employment of children below a specified minimum age should be supplemented by

18. Memorandum on the Revision of the Factories Act



a State-sponsored scheme of free and compulsory education up to the prescribed minimum age. Obviously, not even the most efficient inspectorate can hope successfully to enforce the prescribed minimum age in out-of-the-way rural areas, in the innumerable shops and in home work, without the support of a system of compulsory education which will secure the attendance at school during prescribed hours of children up to a specified age limit ; such education, again, is absolutely essential to equip the child properly for its future life. A scheme of compulsory and free education should, therefore, figure prominently in any programme for the protection of India's child workers. *The Report of the Central Advisory Board of Education on Post-War Educational Development in India* recommends for India a scheme of compulsory education up to the age of 14 years and obviously as this scheme is progressively implemented the minimum age for admission to employment in India should be raised to 14.<sup>19</sup>

An adequate health service for the child at school and in the factory or workplace should form another important plank in the programme for the protection of India's child labour. In addition to periodical medical examination of children at school, it may be provided by law that all children working in industrial establishments, plantations, etc., should be periodically examined by approved doctors with a view to examine their fitness for employment in the particular class of industry in which they are employed ; and their employment may be made conditional upon the production of a certificate of physical fitness. Again, to correct the widespread malnutrition among working class children, steps may be taken to subsidise important protective foods such as milk, and to evolve gradually a scheme of

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19. The I. L. O. draft Resolution on the Protection of Children and Young Workers, prepared in connection with the 27th Session of the International Labour Conference at Paris, recommends the gradual raising of the minimum age to 16.

free feeding for children at school and in factories and workshops.

Perhaps the most important among the measures urgently needed in India for the protection of child labour is the provision of a living wage for all adult wage-earners. Today, in the plantations as in the workshops, it is the inadequacy of the wage that is paid to the adult wage earner that forces him to send out his children to work and to collude with the employer in evading the law. As the I. L. O. *Report on the Protection of Children and Young Workers* has so rightly emphasized, the problem of prohibition of child labour is inextricably mixed up with the problem of the maintenance of the child and "the provision of a living wage for all employed persons adequate to maintain the family at an adequate standard of living". The Government of India's recent proposal to enact a "Minimum Wage Bill" and gradually to evolve machinery for the enforcement of an adequate minimum wage in a number of employments is, therefore, a step in the right direction. No other single measure can so effectively eradicate the evil of child labour in India as the guarantee of a fair wage to all adult workers.

## CHAPTER X

### MATERNITY BENEFIT IN INDIA

*By Mithan Jamshed Lam*

India is a poor country where ignorance, squalour and disease are the constant companions of the bulk of the masses. To the poorer sections of the people, who form approximately seven-tenths of the population, wage earning is a terrible economic necessity ; women and even children must add to the meagre family income. Woman's life under these conditions becomes one round of drudgery from morning to night, for, besides her work, she has to attend to her house hold duties, leaving her no scope for individual development, with the result that her mental growth becomes stunted and her outlook conservative. Add to that the fact that she has to face the problem of recurring child-births, and to find the wherewithal to pay for the coming child, her life presents very few bright spots to the social worker.

Maternal mortality is very heavy in India, and this is largely preventable if proper ante-natal and post-natal measures are taken. That has been the experience of most western countries. It has been estimated by social workers that in India, on an average 25 mothers die to every 1000 children born ; and as there are on an average 10 million babies born every year, about 250,000 mothers lose their lives !

If there is an epidemic of cholera or plague, we rightly raise a hue and cry if a few thousand deaths occur thereof ; yet we are blissfully unaware of or complacently accept the ravages of maternal mortality, looking upon it as an act of God. "According

to the report of the Public Health Commissioner there were in 1937 some 99,000 deaths from cholera, a little over 54,000 deaths from smallpox and about 28,000 from plague ; but maternal mortality is greater than deaths from any of these. In view of this, does it not seem strange that we spend such insignificant sums on the protection of motherhood and such huge sums on campaign against cholera, smallpox and plague ? ( A plea for social security in India—J. C Kumarappa.)

The commonest causes of maternal mortality are puerperal sepsis, eclampsia and other toxemias. Anaemia as a fatal incident of pregnancy is the second largest factor in maternal mortality in Calcutta (and I suppose all over India) whereas it is almost non-existent in England, while the incidence of the other causes is practically the same as in other countries. In addition to the mothers who pay the supreme price for motherhood, there are countless others who are denied the solace of death. Many forms of invalidism or even temporary disability incidental to pregnancy form the lot of many mothers, and more than 30 per cent of Indian mothers, according to an estimate in the Special Committee's Report, suffer in that way. (Report of the Special Committee on Maternity and Child Welfare Work in India appointed by the Advisory Board of Health in 1938.) The very high incidence of anaemia is due to the chronic under-nourishment of the masses, the lowering of vitality due to that cause coupled with other evil customs like child marriage and overcrowding.

“With voice” it must be admitted that the racial health in India is extremely poor and is equalled only by that of China. The average mortality is more than double that of the European countries, while infant mortality is simply amazing. Out of every 100 babies born in India nearly 40 die before reaching the age of 5, while in European countries only 8 or 9

die. In fact, more people die before reaching the age of 5 in India than the number who die before reaching 50 or 60 in other countries. This amazing and disgracefully poor health is due principally to poverty and secondly to quite insufficient pre-natal and post-natal care of the mother." (Report of the Special Committee on Maternity and Childwelfare.)

Age	Maternal death rate per 1000 births	Mother's age	No. of still births and neo-natal births
—15	58'28	—16	14 8
15—19	33'04	16—20	9 0
20—24	30'69	20—30	4'3
25—29	27'78		
30	45'45		
All ages.	32'84		

Maternal death rate below 15 years is 60 per cent higher than the average death rate (Figures and statement taken from the N.P.C.'s report : sub-committee on women's role in planned economy.)

Puerperal sepsis is another common cause of maternal deaths. When Sir Neville Chamberlain was Minister of Health he appointed a departmental committee with Sir George Newman as Chairman. The findings of the committee showed that sepsis was the most important disease that took a heavy toll of lives. Even in normal labour 49 per cent were sepsis cases. The committee came to the conclusion that *at least half the maternal deaths in the country (England) were preventable!* Their conclusions were: (1) Provision should be made for better ante-natal and post-natal care. (2) More hospital beds were needed.

(3) There should be improvement in the training of medical students and midwives.

If in England with much better facilities the Committee came to the conclusion that half the number of deaths are preventable, what about India? How much leeway have we to make? What percentage of our deaths are preventable?

Russia has given great attention to maternity work since the revolution. Special maternity clinics have been established there as also local "Museums of Mother and Child." The mother-to-be goes voluntarily to the clinic or she is sent there by her own or her husband's trade union; or where she has no such connections the local clinic sends a home visitor on the advice of a neighbour. Complete records are kept of her condition, and she is entitled to absent herself from her work for two months before and two months after her delivery. She continues to receive her regular wages for this period and special watch is kept for any signs of tuberculosis or venereal disease, so that the disease may not be transmitted to the child. This has resulted in the decrease of congenital syphilis from 6 per cent to 1 per cent in the Moscow area alone. On account of these measures infant and maternal mortality rates have been greatly reduced in Russia.

Children are neglected when poor mothers have to go out to work and there is no provision for creches or schools; but how much more is the neglect when the children are motherless and are left to the tender mercies of some relative or worse still of the stepmother. It is from these kinds of homes that the delinquents, the derelicts and the vagrants of the nation generally come, to fill up our jails and cause a headache to governments.

It is all these factors which disturb the social equilibrium and the health of a nation, which set

people at thinking, with the result that special legislation concerning the protection of maternity is found in all parts of the civilized world.

The International Labour Organisation at Geneva first took up the question seriously in 1919, at the first session of the International Labour Conference at Washington resulting in an International Convention dealing with the employment of women before and after childbirth. There are four main provisions of the Convention: (i) Rest periods before and after confinement (ii) Guarantee of re-instatement in employment after leave. (iii) Maternity benefits. (iv) Nursing Facilities. The Convention established the right of the woman worker to leave her employment, on the production of a medical certificate, six weeks before and six weeks after childbirth. It further does away with the woman's anxiety about the job by forbidding the employer to give her notice of dismissal during her leave of absence. There are other provisions for maternity benefits and nursing facilities.

It is unfortunate that though India was a signatory to Convention, there does not exist even now an all-India measure dealing with protection of maternity in factories. The Indian Acts are all provincial Acts, each province passing the Act how and when it chose to do so. To my mind every important piece of social legislation must be an all-India measure, so as to have uniformity of practice and procedure. Now that we will soon have independence, we must see that the Native States also tow the line. Where no social measures exist in the Native States, the temptation to the capitalists is great to evade the British Indian laws by erecting their factories in the Native States.

Bombay was the first province in India to pass the Maternity Benefits Act in 1929. It applies to Bombay suburban district and the cities of Bombay,

Ahmedabad, Viramgaum, Surat Bhroach, Jalgaon, Sholapur, Belgaum, Amalner and Karachi. The provincial government has the right to extend it to such places as it thinks fit by notification.

It applies to permanent and seasonal factories. Every woman worker who has worked for nine months in a factory or factories under the same management is entitled to maternity benefits, on the production of a medical certificate stating that she is likely to be delivered of the child within the next four weeks. She is entitled to leave of absence for four weeks before and four weeks after confinement. Maternity benefit is paid to her at the rate of annas 8 per day (now raised to annas 12 in Bombay City), and in the other towns at 8 annas or at the average of the daily wage earned during a period of three months preceding the day on which she is entitled to leave, whichever is less. The maternity benefits are payable in three ways: (i) Within 48 hours of the production of a medical certificate that she is to be confined within one month, and 48 hours after the birth of the child on production of the birth certificate. (ii) For the period up to and including the day of her delivery, within 48 hours of the production of a birth certificate, and for the remaining period of four weeks after the production of the certificate. (iii) In a lump sum within 48 hours of the production of a certificate within 6 weeks of her delivery. If a woman is found working elsewhere in a factory during the period she loses her maternity benefits. There are provisions which penalise the employer for breach of any of the provisions and rules made under the Act. This section is more honoured in breach than in observance.

Similar Acts, with minor modifications, have been passed in the C. P. (1930) and Madras (1934). The Bombay Act and the rules were extended, subject to certain modifications, to Ajmer-Marwara in 1932 and



to the province of Delhi in 1937. U. P. and Bengal passed similar Acts in 1938 and 1939 respectively. Certain Native States like Baroda, Cochin, Mysore, Gwalior and Travancore have also passed their own maternity Acts. During war time, after a lot of agitation by the women's associations, the Central Government passed the Mines Maternity Benefits Act of 1941, extending maternity benefits to the women employed in coal mines. Women dock labourers and others in the building trades and of course agricultural labourers are not still covered.

The Bombay Municipality started a maternity benefits scheme for its halalkhore and scavenging women as far back as 1928. They have also appointed a trained woman welfare officer. The Jute Mills Association of Bengal has voluntarily granted benefits to its women workers. Assam tea planters and the planters of Madras have been voluntarily paying maternity benefits since 1939.

The following table shows some of the important provisions regarding maternity benefits in force in the Provinces and States.\*

Province or State	Year	Qualifying Period	Period of Maternity Benefits	Rate
Bombay	1929	9 months	8 weeks	8 as. a day or average daily wage whichever is less. Cities of B'bay & Ahmedabad, 8 as. daily.

\* Quoted from B. P. Adarkar, Report on Health Insurance for Industrial Workers (Simla, 1944).

Province or State	Year	Qualifying Period	Period of Maternity Benefits	Rate
O. P. and Berar	1930	9 months	8 weeks	8 as. a day or average daily wage which- ever is less.
Madras	1934	240 days within a period of one year		8 as. a day.
U. P.	1938			8 as. a day or average daily wage which- ever is greater.
Bengal	1939	9 ..	8 ..	Ditto.
Punjab	1943	9 ,	60 days	12 as. a day.
Mines	1941	6 ..	8 weeks	In plantations Re. 1 per week for the period before con- finement and Re. 1 and as. 4 per week after confinement, provided the total cash payment is Rs. 14.
Assam	1944	150 days	8 ..	In other employments Rs 2 per week or average wage which ever is greater.
Baroda	1932	6 months	7 ..	6 as. a day.
Cochin		12 months	8 weeks	3 as. Employers must provide allowances and food for 7 weeks for women working on planta- tions.
Mysore	1937	In other things it follows the general principles of the Bombay Act.		
Hyderabad	1942	Do.	Do.	
Indore	1936	Do.	Do.	

All this legislation, though piece-meal, is good so far as it goes. Yet in spite of this quite a number of women do not get their benefits, because of their ignorance, economic helplessness, and the unscrupulousness of some of the smaller employers. As long as the employers alone have to bear the burden, there will always be a tendency to avoid it by all sorts of subterfuges. Unfortunately in India, more so than in the Western countries, money and higher education do not go hand in hand. There are few capitalists who realise the need of social services for their employees, and fewer still who are willing to put their hands in their pockets for providing these services. As long as our social conscience is not wide awake, and public opinion is not vigilant, even the enforcement of these few Acts is bound to be lax.

“The surest manifestations of the progress of a nation towards a correct appreciation of the interdependence of the various elements of the population that compose it is a gradual mounting demand for the alleviation of the disabilities of the humbler classes of the community. The more enlightened the community, the more readily will the better placed members thereof recognise the need for some awakening to their duty to the less fortunate ; they will also appreciate that contentment and security for the workers will ultimately lead to better work and success for the community.”\*

Many people are of the opinion that as the result of the passing of the various maternity benefits Acts, the number of women in factories is gradually decreasing. The N. P. C.'s report of the women sub-committee states that the number of women employees in factories is gradually decreasing. In order to protect women from the growing tendencies of the employers to engage as few women as possible,

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\* J. C. Kummurappa, A Plea for Social Security in *Indian Journal of Social Work*, September, 1943.

so as to escape the payment of maternity benefits, we consider it necessary to avoid direct payment by the employer to the employee. Professor Adarkar is not quite so emphatic on this point, as he thinks there are other factors, such as the technical factor, which are responsible for the decrease in women's employment; he is however of the opinion that the rigorous enforcement of the maternity Acts is likely to induce employers to reduce their women workers. The inspectress of factories in Bombay is also of the opinion that women's employment has gone down as a consequence of the passing of the maternity Act.

At present the State is the passive partner as far as most social legislation is concerned; merely passing the legislation, providing a certain amount of machinery for its proper enforcement but not taking an active part in its working by providing funds. The whole burden of the Act is borne by the employer. Until we have in India a well regulated scheme of health and social insurance as has been put forward by Sir William Beveridge in his monumental scheme, which will cover not only factory workers but all workers, or a health insurance scheme as suggested by Professor Adarkar, I would suggest that all employers be compelled to insure for the payment of maternity benefits and be asked for contribution on the basis of the total number of employees, and not only of the women employees. The payment of premia will amount to an infinitesimal part of their working expenses. Payment of benefit will not be made by them to the employees but by the insurance company and the inducement for avoiding payment will be less. We have an instance in the working of the War Injuries Ordinance 1941 and 1943, whereby the Central Government undertook the liabilities of insurers in relation to employers of workmen to whom the Ordinance applied.

At present the employer pays benefits to the woman worker in cash. He is not concerned with what she does with the amount, whether it is used for ceremonies and feasting on the birth of a son, or whether a worthless husband takes part of it away from her and drinks or gambles it away. There is no proper or as a matter of fact any medical supervision, nor are hospitalisation facilities provided under the Act. Usually for the first, and sometimes for the later childbirths, the woman goes to her native place, where medical facilities are practically nil and where generally the old fashioned dais still carry on their trade with grave danger to the mother's health. What is needed is a little more personal interest in the welfare of the employees, the human touch instead of the present wooden system which just doles out a little money leaving the people to shift as best as they may.

I would suggest that instead of payments being made in cash, benefits in kind, viz. free medical attention by a doctor or certified midwife and visits by the health visitor before and after confinement, would be more beneficial. Ante-natal, post-natal as well as intra-natal care is very essential if maternal mortality is to be reduced. All the good work done in a big city during the ante-natal period will be of no avail, if proper intra-natal care is not available as is the case in the villages at present. A small bonus should be granted in the provinces where there are no proper hospitalisation facilities, where the woman employs a trained midwife. Post-natal care is important in order to correct defects due to childbirth in time and to avoid future complications and ill-health. After the woman returns from the hospital (where hospital facilities are provided) provision of milk and extra nourishing food is necessary and ought to be provided her if she is to nurse the child properly and regain her normal strength.

A properly qualified lady doctor appointed as inspectress of factories by the Provincial Governments,

could visit mills, get into personal contact with woman workers and the mill agents and act as a liaison officer persuading the management to provide proper facilities for their workers. Being a Government employee she would be less likely to be bullied by the factory owners than a person employed by them would be, as unfortunately there is a tendency amongst our moneyed classes to treat even an expert employed by them as a "servant," whose opinions are to be followed or lightly brushed aside according to their whims. Bombay Government is the only government, so far as I know, which has appointed a qualified and independent lady doctor as inspectress of factories. Her work has been good and helpful to woman workers.

Loopholes in the Acts are being closed as defects appear in their working. When the woman absented herself without leave during the qualifying period of nine months, payment of maternity dues was sought to be evaded on the ground of break in the service. Moreover, some employers used to dismiss the woman in the early months of her pregnancy, before she had completed her qualifying period. Bengal and Madras have now passed Acts which provide that dismissal of a woman without sufficient cause within five months of her delivery will not have the effect of depriving her of her maternity dues. So far as Bombay City is concerned, the Millowners' Association has taken out insurance for the payment of maternity benefits and so there are fewer chances of their wanting to evade payments.

Development of trade unions along sound lines would help in the proper enforcement of the present Acts. Women should be encouraged to take a more active part in the unions, and the union machinery can be utilised for educating labourers in regard to their rights. The unions should also offer to get the woman's benefits paid to her, and send her to a clinic where one exists whether she is a member of the union or not on learning of her condition.

Last but not least, there should be a system of propaganda particularly amongst the menfolk for limited families and for birth control which will greatly help in building up maternal health. Moral injunctions of self-control are very fine when people have reached a certain standard of moral development, but it is a doctrine of perfection for the masses and therefore useless. While in Europe States grant bonuses to encourage big families, I would like bonuses to be granted to the working classes to limit and space out their families.

Social insurance is the answer to many of our present ills. As rightly observed by J. C. Kumarappa, social insurance must be a matter of deep concern to all those interested in the welfare of the working population, since it is one of the most important factors in decreasing human misery and increasing human happiness.

There should be an all-India drive with posters, films, radio talks on this subject along with charts showing the enormous mortality figures, to bring home to the people the urgency and enormity of the problem, so that the people can badger their popular governments to pay greater attention to the problem.

Voters should organise together and require a promise from their representatives in the local assemblies that they will pay attention to this much neglected problem and will see that sufficient moneys are budgeted for it. College boys and girls should be interested in this subject and be induced to do a little free service in this cause.

Above every thing, sound public opinion should be created which would not only demand medical facilities, but more important still, would see that such facilities as are provided are utilised, and that poor people are given full advantage of these institutions without distinction of caste or creed. And for God's sake let us see that the communal virus is kept out of this humanitarian work !

## CHAPTER XI

### WORKMEN'S COMPENSATION IN INDIA

By A. N. Agarwala (*Editor*)

#### I. INTRODUCTORY

One of the important measures introduced in India after the World War I for the amelioration of the lot of industrial workers, was the Workmen's Compensation Act of 1923 whereby workmen's compensation for industrial accidents, including industrial maladies, was made a liability of employers. Before this date, there was no particular legal provision in this regard. It is true that soon after the World War I the Government of India were prevailed upon to insert Section 43.A in the Factories Act, which empowered the Courts to grant compensation to workers in respect of industrial accidents out of the fines imposed by employers; but it was only a makeshift arrangement and by no means satisfactory, and was replaced by the Indian Workmen's Compensation Act in 1923. This Act has since its inception been revised and amended several times, the most drastic amendments having been made in 1934.

This Act was modelled after the British Workmen's Compensation Act originally introduced in 1897 and generalised in scope and application in 1906; and incorporated the then prevailing ideas regarding such a measure in the different countries of the world. India is not one of the seventeen countries which have ratified the I. L. O. Workmen's Compensation (Accident) Convention of 1925, but the Indian measure incorporates the basis of this Convention. It protects those workers against employment injuries—including industrial injuries and diseases—who earn up to Rs. 400 per month.\* The

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\* Originally the limit was Rs. 300; but it was raised to Rs. 400 in 1946.



classes of workers to whom protection has been given originally numbered only 22 as per Schedule II, but four new classes were added to this Schedule in 1935. All the protected workers are entitled to compensation in respect of any injury or disease arising out of and in the course of employment, provided the injury or disease lasts for more than seven days. Before 1934, if any accident was caused by the fault of the worker, e.g. because of his drunkenness, wilful removal or disregard of safety appliances or wilful disobedience to any order expressly given or to a rule expressly framed to ensure safety, no compensation was to be given to him. But in 1934, it was provided that if the injury is fatal, the employer will have to pay compensation even if it was caused by worker's own fault. Industrial diseases are included in the term "accident" and such diseases have been specifically mentioned in a schedule and are only half a dozen in number.

The most important feature of the Indian Workmen's Compensation Act is that it places the entire responsibility for compensation on employers alone. It is one of the two legislative measures, the other being Maternity Benefit Act, to which the principle of employers' liability was applied in this country, with unfortunate consequences. Evidently, it is not a social insurance measure. The leading feature of social insurance, *inter alia*, is the creation of a tripartite fund out of the contributions of employers, workers and the State, to pay compensation or benefits to workers. This feature is totally absent in the present Workmen's Compensation Act. Let alone social insurance, even the commercial insurance principle has not been applied to this scheme for there is no liability on employers to insure their risk with private insurance companies or any other agency. It is a standing misconception of Indian Economics that social insurance was first introduced in this country in the shape of Workmen's Compensation Act, which is an entirely

wrong notion. It would be correct to say that this was an attempt to give protection to workers against industrial accidents, which usually fall within the scope of social insurance, by placing the responsibility for compensation solely on employers; but the principle of social insurance was surely not applied to this measure, which incidentally is the cause of most of its existing defects.

The operation of the Act during the last 23 years has brought to light a number of serious shortcomings militating against the availability of compensation to workers, and it is a fact recognized by all that it has been evaded on a stupendous scale. In England, the Workmen's Compensation Act has operated more successfully than in India. "Sir William Beveridge's Report recognizes that the existing system of workmen's compensation has conferred great benefits in the past. It has enabled the workman in the great majority of cases to get his compensation without any serious difficulty and without unreasonable delay; and, as the Report points out, there are other substantial advantages which may be claimed for it."<sup>1</sup> Though the Royal Commission on Labour observed that the Act has worked quite smoothly in this country, this view has not been supported by subsequent investigations which have proved beyond doubt that it has been observed more in breach and evasion than any other way. It has been found unsatisfactory both by workers as well as by employers; and time has come to examine how far the present scheme can be improved and how far is it necessary to replace it by some better scheme.

## II. DEFECTS FROM THE POINT OF VIEW OF EMPLOYERS

Employers find the Act unfair to them for they do not see why should they be called upon to pay full

<sup>1</sup> See *Social Insurance, Part II: Workmen's Compensation*. Cmd. 6561 (London, 1944), p. 9.

compensation for a risk for which they are not personally responsible. In the case of fatal injuries, even if a worker's own fault results in his death, the employer is called upon to pay compensation; while in the case of non-fatal injuries he is called upon to pay compensation even when he himself is not responsible for accident. When the worker suffers for a reason for which the employer is not responsible, it is morally objectionable if the latter is legally made responsible for its financial consequences.

This standpoint of employers is quite plausible and has found growing recognition in recent times. Sir William Beveridge boldly declares that the existing system "was based on a wrong principle, and has been dominated by a wrong outlook." It is this wrong basis of the scheme which is the main source of the large number of inherent defects found in the working of the Act, which cannot be removed without changing the very basis of the scheme.

The making of the employers responsible for workmen's compensation was an historical accident and was the result of the profound influence of the French jurists holding this opinion at the time when such a measure was enacted for the first time. Bismark disagreed with this idea and objected to placing the entire burden on employers, but his viewpoint did not find support. However, we must not continue a historical error and try to appreciate the viewpoint of the employers which is quite correct and fair. Moreover, when social insurance was not developed and there was no available system whereby workers could be compensated in respect of industrial accidents for which some provision was urgently needed, this system had some justification. But now when we have begun to think in terms of social insurance, and the tripartite financing of social insurance services has become a *fait accompli* in many cases, it would be indefensible not to apply the same principle to workmen's compensation. Again, this scheme

has established such a direct connexion between the amount of compensation to be given to workers and the liability of the employers that a very strong temptation for evasion has been provided. It should be the object of a piece of legislation that its provisions give as little encouragement to or room for evasion as possible; but the Workmen's Compensation Act gives a direct stimulus to evasion. Evasion will disappear if the direct link between compensation and employers' liability is broken as can be done by the application of the principle of social insurance to this measure. We must at the same time remember that if we continue to make workmen's compensation a liability of employers alone, we will be putting obstacles in the path of the progress of social insurance movement in India; for the contribution-paying capacity of employers being given, the greater the amount that is applied for paying workmen's compensation, the less will remain for financing other schemes of social insurance.

All things considered, then, there is a very strong case, from the point of view of employers, for scrapping the existing system of workmen's compensation and replacing it by a more just, scientific and improved system.

### III. DEFECTS FROM THE POINT OF VIEW OF WORKERS

The incidence of the defects of the Workmen's Compensation Act falls ultimately on workers. The very basis and the procedure of the availability of compensation to them is beset with so many difficulties and obstacles that they have been able to enjoy only limited benefits of the measure and to many of them the Act is a meaningless affair.

Most of the workers are ignorant and illiterate; and in several cases they do not even know that they are entitled to compensation in case of industrial accidents, as has been found by several labour

committees including the Bihar (Rajendra Prasad) Labour Committee. Had the availability of compensation been automatic, the factor of ignorance would not have stood in the way of the receipt of compensation whenever it was due. Apart from it, even when the worker knows that he is entitled to compensation, he has to demand it from employers and in several cases such a request is followed by a threat of dismissal unless the demand is withdrawn or at least a nominal sum is accepted in full settlement of the claim. If the employer declines to pay the compensation, the only course left to the worker is to file a law suit against the employer, a course involving many difficulties. The worker does not have enough money or enough leisure to indulge in the luxury of a law suit and in many cases no suit is ever filed. At any rate, his chances of success against the best lawyers that the employer can engage are meagre. Some free legal help has at times been given to workers in the past by trade unions or well-meaning lawyers but such cases are few and far between. When a worker dies or has been seriously injured, it becomes very difficult for his dependents living in a distant village to enforce the claim for compensation. For these reasons the title of the worker to get compensation remains so merely on paper. Particularly the industrial maladies are not generally compensated for; and, in fact, whenever there is the least symptom of a compensable disease, the employer dismisses the worker.

Various committees have pointed out the considerable extent to which this Act is at present evaded. The Bihar Labour Enquiry Committee, for instance, observed as follows:

While we are aware that there are employers who are giving to their employees the full benefit of the Act, our enquiries have painfully disclosed to us the fact that it is not enjoyed by the workers in many concerns. Many of the workers are not even aware of the existence of the Act and are content to accept as an act of compassion whatever

may be offered to them by the employers. The Civil Surgeon of Singhbhum has given us the following figures. It may be noted, however, that it is not clear how many of these cases were entitled to compensation under the Act, although it will not be far wrong to assume that there may have been evasion of the Act in many of them. In 1937, 4 persons received compensation from a Company, the hospital records of which showed 510 injury cases and 82 deaths from all causes. In another establishment, 50 received compensation out of 8,771 injured cases and 65 deaths in the hospitals, while 764 injuries and 14 deaths in one and 1,001 injuries and 29 deaths in another resulted in no compensation at all.<sup>2</sup>

The above quotation speaks for itself. Professor B. P. Adarkar has compared the accident figures in India with foreign figures which also show the marked extent to which evasion is practised in this country. We reproduce his table on page 196.

Professor Adarkar observes that these "figures cannot indicate that Indian factory workers are less liable to accidents, or that they are more careful than workers abroad, or that working conditions and safety provisions in factories are more up-to-date here than elsewhere, but only that a preponderant number of accidents is neither brought to light nor compensated for. It is also significant that the number of compensation cases in which industrial diseases were the subject of litigation has been extremely small."<sup>3</sup>

Besides such a large-scale and almost universal evasion of the Act, the worker suffers on account of the fact that the Act makes absolutely no provision for medical help which is his greatest need when he becomes a victim of an accident. The list of industrial diseases for which compensation can be claimed is also very narrow and requires considerable

<sup>2</sup> Quoted by B. P. Adarkar, *Report on Health Insurance for Industrial Workers* (Simla, 1944), p. 215.

<sup>3</sup> B. P. Adarkar, *Op. Cit.*, p. 215

additions, if not a change of principle. Finally, the present scheme does not have a rehabilitation and restoration branch, and no effort is made to retrain workers for new tasks.

Country (i)	Year (ii)	Number of persons covered (iii)	Number of compens- able acci- dents (iv)	Percentage of (iv) to (iii) (v)
South Africa* ...	1933	252,960	11,266	4.4
Canadian Provinces:				
Alberta ...	1933	56,921	8,160	14.3
Br. Columbia ...	1933	118,000	18,274	15.4
Manitoba ...	1933	45,000	6,608	14.6
Chile ...	1933	156,611	21,680	13.7
France** ...	1926	8,247,200	11,552,507	18.8
Luxemburg ...	1933	35,573	***	29.5
Italy @ ...	1939	1,737,755	33,491	1.9
India £ ...	1939	1,751,137	36,006	2.0
	1940	1,884,428	41,079	2.2

NOTE.—Figures have generally been collected from *International Survey of Social Services*, Geneva, 1936.

\* Figures relate to Transvaal gold-mining industry only.

\*\* Figures of number of persons employed are based on 1920 census and of number of compensable accidents relate to 1932. Only insured workers have been taken into account.

\*\*\* Figure for accidents not available. Only the accident rate (i. e. percentage rate) is given.

@ Factory workers only.

£ Figures collected from *Statistics of Factories* and not from *Workmen's Compensation Statistics* as the latter cover non-factory workers also.

IV. CASE FOR MODIFICATION OF THE SYSTEM  
EXAMINED

In spite of the above mentioned defects, it is sometimes stated that the existing system has much to recommend itself and all that is necessary is to modify it in needy directions rather than replace it by a totally different system. This suggestion was made sometime back by no less a person than the then Member for Labour (Dr. B. R. Ambedkar); and that too after Professor B. P. Adarkar had submitted his report and commended, in no uncertain terms the application of social insurance principles to workmen's compensation! The then Labour Member suggested that employers' liability, should be compulsorily insured with commercial insurance companies and did not envisage a change in the basic principle of the measure. This tendency to preserve the employers' liability principle is dangerous. It cannot effect any material improvement in the situation. Only it will delay the introduction of social security in this country. Let us, therefore, examine this approach to the problem a little closely.

There are three arguments which are given by the advocates of the continued application of employers' liability principle to workmen's compensation. The International Labour Organization while lending its support to the existing system says that by the device of merit-rating compensation can be used as a lever for promoting industrial safety. But we are constrained to observe that the direct object of Workmen's Compensation Act is not to promote industrial safety but to make compensation available to workers when an industrial accident takes place. There are other measures which look to the adoption of proper safety measures and precautions; and by adopting more of similar measures and tightening up supervision in general, much can be done. As a matter of fact, if workmen's compensation is made a part of social insurance, the State will have to adopt special measures to ensure industrial safety, as has been



suggested in the Beveridge Report which recommends the setting up of Statutory Associations for the purpose.<sup>4</sup> In the opinion of the British Government, "it would not appear that it (Workmen's Compensation Act) has, in fact, made any material contribution in this direction."<sup>5</sup> They further observe that they "do not think that any system of this kind (merit-rating) could be operated on an equitable basis, and they feel sure that the complication and expenses involved in any such system would be out of all proportions to the results likely to be achieved."<sup>6</sup>

Another reason given by the I. L. O. in defence of the present system is that by loading the price of products which endanger life and limb with their full compensation cost, their use is discouraged and the search for substitutes is encouraged. In our opinion, this argument is open to several objections. Firstly, it is too much to assert that simply by increasing the price of the products of hazardous industries, their consumption will be materially diminished or the use of their substitutes will be encouraged. It may or may not happen because substitutes may not be available or the commodity may be so essential to consumers that they may still continue to consume it. Apart from it, if it is assumed for the sake of argument that the cost of compensation is so heavy that the price of the commodity will rise, to the extent of discouraging consumption, such a levy is punitive in character and open to criticism. It will, moreover, detract Workmen's Compensation Act from its main purpose which is surely not to discourage the consumption of the products of hazardous occupations. At any rate, the very assumption on which the above statement is based is wrong and generally the cost of compensation does

4 Beveridge, *Social Insurance and Allied Services*, paras 90-92.

5 *Social Insurance*, Part II, Cmd 6561, Op. Cit., p. 12.

6 *Ibid*, p. 18.

not bulk so large as to reduce consumption to any appreciable extent. The British Government states that "the whole charge in respect of industrial compensation is a comparatively small item in relation to wages and other costs of production."<sup>7</sup> It is, therefore, doubtful if the consumption of such articles is at all reduced by reason of compensation cost.

The third argument given in support of the existing system is that accidents and diseases arising out of and in course of employment should be a charge on the industry itself. In this connexion, we can do no better than quote Professor Adarkar who states that "this theory is somewhat out of date now, but even assuming its validity, it would still be possible, actuarially speaking, to charge the liability arising from industrial disability to industry by way of simple addition to the employer's contribution only. In view of the fact, however, that both accident and disease are not categorically distributed between industry and normal life and there is a large twilight zone, the course suggested by Sir William Beveridge of making compensation partly a liability of special insurance and partly one of particular industry concerned is probably most suitable."<sup>8</sup>

We do not, therefore, agree with the reasons given in support of the existing system; and in view of the serious defects inherent in it, we feel the necessity of a complete overhaul of the present arrangement. The suggestion of getting the compensation liability of employers compulsorily insured with private insurance companies, takes for granted the advisability of continuing the basic principle of the present system and as this position is untenable, this suggestion *ipso facto* becomes untenable. Apart from it, this modification will not by itself stop evasion or lead to a full satisfaction of workers' right claims. The workers will still have to make a claim

7 Cind. 6551, Op. Cit., p. 18.

8 B. P. Adarkar, Op. Cit., p. 217

and the receipt of benefits will not become automatic. If the claim is not settled outside the law court, the need of filing a suit against insurance companies will still remain. Even the employer may collude with the insurance companies not only because he may have in some cases direct financial interest in such companies but also because the lower the rate of compensation, the less will be the future premium rate. Insurance companies may also inhibit workers' claims or try to settle them for nominal sums as is the case in England, for they will know that the worker cannot easily resort to litigation. Hence, this innovation will not lead to any material improvement in the situation. We must, therefore, warn those who seek to find a solution of the present defects of the Workmen's Compensation Act in this line of approach.

Moreover, if such a development takes place in India, it will create vested interests in the shape of insurance companies which will oppose, tooth and nail, the application of the social insurance principle in this special field at a later date. We are not quite certain that even the employers will welcome the proposed modification because this will greatly increase their present compensation cost. It has been estimated that for every £ 48 given as compensation in Great Britain, employers have to pay a premium of £ 100 to insurance companies, the balance representing expenses of litigation and administration and profits of companies. The employers are likely to think that if the present system continues, they will not have to pay this balance to insurance companies and they may not willingly agree to the suggestion under discussion.

#### V. THE RIGHT APPROACH

It should, as such, be quite clear that no attempt at tinkering with the Workmen's Compensation Act will yield any useful result and there is need of taking the bold step of scrapping away the present system and establishing a social insurance scheme in its

place. This will fully meet with the objections raised against it by the employers as well as the workers and will prove satisfactory to both the parties.

The application of the principle of social insurance to workmen's compensation would mean the distribution of the cost over three parties, *viz.*, employers, workers and State. The objection of the employers to the present scheme will thereby be removed; and the direct incentive which they get for evading compensation will also be eliminated. From the viewpoint of the workers, this will be a very great advantage. When the employer will not gain anything by inhibiting workers' claims, and will not directly be in the picture, he is likely to help rather than hinder workers in getting compensation. Moreover, the payment of claims will become automatic and not dependent upon making any claim by the workers themselves or on filing a law suit. Evasion will, therefore, be reduced to the very minimum, which is the greatest improvement needed in the present circumstances.

It will also be possible to incorporate several new features in the scheme. Arrangement can be conveniently made for medical benefit which must be made freely available to workers the moment they are victims of accidents. Medical benefit will be provided to workers in this country either by the Health Insurance Fund directly or by Provincial Governments on behalf of the Fund. The same medical organization can be made to serve the workers falling prey to industrial accidents. Efforts can also be made to develop a highly effective medical technique appropriate to the cases that will come for treatment.

The method of industrial disease will also have to be changed under the new system. The schedule of disease attached to the present Act is extremely limited and falls much short of the schedule attached to the I. L. O.'s Workmen's

Compensation (Occupational Diseases) Conventions, 1925 and 1934, Article 2. Moreover, the very principle of the schedule mode of covering industrial diseases now stands condemned, and competent bodies have demanded all over the world its substitution by blanket coverage method. The Thirteenth (1958) Italian Congress of Industrial Medicine, for instance, passed a resolution demanding the abolition of the system of schedule and the introduction of blanket coverage for occupational diseases. Marshall Dawson of the United States Division of Industrial Accidents also observes that "The schedule plan of covering occupational disease has often been criticized as arbitrary and unfair.....Such a method is vitiated by gaps in the schedule due to poor and incomplete selection of items in the list and also to the emergence of new processes, the hazards of which are not recognised until after workers have been injured, whereas it has been recognized by commissions that they should not wait until after claims are filed before undertaking research and inspection to discover hazards. Industrial processes change and the knowledge of disease hazard is rapidly expanding. A revision made 10 years after the first publication of a printed guide to impairment that may occur in various occupations increased the numbers of poisonous substances considered from 52 to 94. The number of hazardous occupations listed was increased to approximately 900."<sup>9</sup> The advisability of adopting the blanket method of coverage underlines the need of including this scheme in the wider scheme of health insurance as suggested by Professor Adarkar and approved by Messrs. Stack and Rao, for this unification will obviate the necessity of deciding whether a particular malady should be a charge on health insurance or workmen's compensation insurance, a task extremely controversial and difficult in many border-line cases.

<sup>9</sup> Dawson, *Problems of Workmen's Compensation Administration* (Washington, 1940), pp. 67-68.

The new system must also have as its integral feature a system of rehabilitation which should aim at restoring the earning capacity of the injured worker either fully or partially. There is need of maintaining a "Rehabilitation Fund" as is done in some states of America with a view to "facilitate the vocational recovery of an injured workman by providing extra compensation to cover his increased living expenses during the period of vocational readjustment or re-training. Such a fund may also be drawn upon for supplementary or extraordinary expenses connected with rehabilitation agency." Without a rehabilitation organization, workmen's compensation would do only half its duty.

There is also the need of ensuring that the cash compensation is adequate. This emphasises the need of establishing a connexion between the cost of living and amount of compensation, as also of making the amount of compensation dependent upon the size of the family of the workers, as has been recommended in Beveridge Report and accepted by the British Government.

#### VI. HEALTH INSURANCE AND WORKMEN'S COMPENSATION

The problem of the social insurance principle to workmen's compensation scheme has become urgent and necessary on account of the recent progress of the health insurance movement in this country. The Adarkar Plan of Health Insurance is ready and let us hope it will be introduced in this country in near future. There is likely to be considerable "overlapping and interference" with the operation of the workmen's compensation scheme when this happens. There will in particular be three difficulties as pointed out by Professor Adarkar. Firstly, it is almost certain that risks which properly belong to workmen's compensation will be passed on to health insurance, unless the health insurance authorities are extremely vigilant. This would be particularly the case with industrial diseases and those

border-line cases of accidents which may or may not have arisen "in the course of employment." Secondly, the health insurance authorities will have frequently to resort to litigation as in Great Britain in order to recoup themselves in respect of a compensation claim where the workers have already received cash benefit from the Fund. Since the worker is not in a position to have recourse to litigation, the Health Insurance Fund will have to give him compensation pending settlement; and then realise the money if proper from the employer or insurer or industrial injuries authorities. Such litigation would be costly and would bring the Fund in constant clash with other parties. Finally, the facilities provided by health insurance might occasionally even give rise to corruption and collusion. For example, a worker might be influenced by his employer to say that a particular injury was received not in the course of employment but elsewhere, while it is also conceivable that an unscrupulous employer might bring pressure on health insurance officers in order to persuade them not to press for compensation.

The best thing, therefore, appears to be to accept the proposal of Professor Adarkar and make workmen's compensation a part of a unified scheme combining health insurance, industrial accidents insurance and maternity insurance. This has been fully endorsed by Messrs. Stack and Rao and let us hope that the Health Insurance Act when it is passed will incorporate this feature.

It may at this stage be discussed if it will not be advisable to have a scheme of industrial injuries insurance separate from other schemes of social insurance as has been proposed for Great Britain by Sir William Beveridge and accepted by the British Government. The main reason that inspired this decision was the fact that "many industries vital to the community are also specially dangerous and it is essential that men should enter them and desirable

therefore that they should be able to do so with the assurance of special provision against their risks, for themselves and their families." In India, we are far from the stage when we could think of making special and extra provision of like character. Our problem, on the contrary, is to make some moderate arrangement for compensation in this regard which should not be of lower order than that available in other cases of social contingencies. Moreover, our great need is of simplification; and the complicated system like the one envisaged in Great Britain cannot suit our case

We, therefore, fully endorse Professor Adarkar's recommendation. But we are afraid the problem of the introduction of health insurance has been put in cold storage by the recommendation of Messrs. Stack and Rao that medical benefits should be provided under it by Provincial Governments as may be possible when the recommendations of the Bhole Health Committee have been implemented. The latter is still a far cry and will remain beyond our finances for some time to come. If, therefore, this is the view of the Government of India also, the Workmen's Compensation Act may have to be continued, which will be unfortunate and unpardonable.



## CHAPTER XII

### LABOUR LEGISLATION IN POST-WAR INDIA

*By. S. Thomas Edward*

It is significant to note that labour legislation in India is mostly the outcome of the conditions following the World War I. The only Act in force before the said war was the Indian Factories Act. But during the years following the World War I, some of the very prolonged strikes took place. Several factors helped the working class all over the country to realise the importance of organised action and collective bargaining, which they did not fail to put into practice. This, among other factors, contributed to the enactment of a number of legislative measures for the protection and welfare of the Indian labour, which now constitute what might be called the Indian Labour Code. Conditions following the World War II have also been marked by a serious threat of strike fever that is spreading daily not only among industrial workers but also among workers employed in non-industrial establishments like banks, Government Offices, etc. In the face of the alarming famine conditions prevailing in the country there can be no great enemy against human welfare and national interests than strikes and lockouts which might completely upset our food and clothing problems. It is, therefore, necessary to take up the question of planning our labour legislation with a broad, practical wisdom. The sand is running low; there is hardly any minute to be wasted without endangering human life and welfare. Maintenance of industrial peace is also indispensable for letting future industrial development take place with vigour and speed and indeed for planned economic progress which is our ideal.

The need for planning in the field of labour legislation is specially great for the reason that the legislation thus far enacted has not arisen from a sense of improving the lot of workers and helping industrial output in a systematic and logical order. It has, on the other hand, been governed by the necessity of conforming to international decisions to a certain extent and to suit the necessities of British manufacturers. As Daniel H Buchanan rightly observes, "India has more advanced factory legislation than any other Asiatic country, adopted partly at the behest of Indian and English philanthropists, and partly at the behest of Lancashire, lest lack of labour regulations should result in embarrassing competition."<sup>1</sup> Now that we have an Interim Government in office and we are likely to have political freedom, every endeavour must be made to bring order out of chaos and replan the entire labour legislation anew

The existing labour legislation may be classified into the following four groups for the sake of convenience: (a) Legislation relating to hours of work, working conditions, employment of labour, conditions in factories, etc ; (b) Legislation determining employer-employee relationship; (c) Legislation relating to collective bargaining and workers' organizations; and (d) Welfare legislation. The following legislative enactments deal with items under the foregoing classification, and they give an idea of the scope they cover:—

- (a) (1) The Factories Act.
- (2) The Mines Act.
- (3) The Plantation Act.
- (4) Shops and Establishments Act.
- (5) Transport Legislation Relating to Railways, Ports and Docks.
- (6) The Payment of Wages Act.

<sup>1</sup> Buchanan, *Capitalistic Enterprise in India*, p. 442

- (b) (1) Trade Disputes Act.  
(2) Industrial Disputes Act.
- (c) (1) The Indian Trade Unions Act, 1926.  
(2) The Bombay Industrial Disputes Act of 1938.
- (d) (1) Maternity Benefit Acts.  
(2) Workmen's Compensation Act.

*The Factories Act.* The Indian Factories Act is the earliest piece of legislation regulating or protecting the interests of the working class. The Factories Act was passed for the first time in 1881 and was subsequently amended in 1891, 1911, 1923, 1926, 1934. The latest amendment was made in 1946 introducing the 48-hour week. The amendment brought about in 1934 was most comprehensive and resulted out of the recommendations made by the Royal Commission on Labour. It aimed at achieving three-fold purpose: (1) reduction of working hours, (2) improvement in working conditions, and (3) stricter enforcement of the provisions of the Act. The Act as it stands covers only some 24,36,312 workmen of whom 38,069 are children, 2,62,744 are women.

The salient points of the Act are: (a) precise definition of factories, (b) restriction of working hours to 48 hours a week and 10 hours a day, (c) conditions governing the employment of women and children in factories, (d) protective and preventive measures against accidents, (e) a minimum of safe and healthy working conditions inside the factory, and (f) machinery for inspection and strict enforcement of the Act. The most important feature of the 1934 amendment was the requirement under the Act for the provision of shelter for rest during off-duty time in all factories employing more than 150 persons and creches for caring children wherever 50 or more women were employed. Recently

some provinces have issued orders making it compulsory on the part of the employer to provide proper rest places and also creeches where women are employed.

It is gratifying to note that the much desired legislation to restrict the hours of work from 54 a week to 48 has seen the light of the day. It almost took more than a decade since it was recommended by the International Labour Convention in 1919 to take the shape of a statute. In Assembly session held in April 1946 the Bill had been passed into an Act and it was gazetted to come into operation from 1st August, 1946. The new amendment to the Factories Act in addition to reducing the weekly hours of working to 48 increased the amount of overtime payments to double the rates against  $1\frac{1}{2}$  times under 1934 Factories Act. The post-war period has already seen a long desired and most useful piece of legislation amending the Factories Act by Act III of 1945 which provides 10 days annual holidays with pay for every worker putting 12 months continuous service and also compulsory compensatory holiday against every Sunday worked under exemption. This new amendment has been enforced from 1st January, 1946. These are excellent pieces of legislation but the employees will derive the least benefit out of them if adequate machinery is not created under all the Governments to strictly enforce the provisions of the Act. In spite of its existence for over almost three-quarters of a century, the administration of the provisions of the Factories Act is far from satisfactory. It remains to be seen what further steps are taken by the various Governments to implement the new amendments in addition to the original Factories Act.

The next important point in relation to factory legislation, therefore, is the machinery that is set up to enforce the enactments. In view of the tremendous

growth of industries and the tendency on the part of employers to adopt evasive methods, there should be more regular and stricter restrictions to enforce the provisions of the Act. At the same time attempts should be made through employers' associations to educate their members in the need for strictly adhering to the legislation in the interests of the nation and indeed in their own long-seen interests. Wealth and position have got value in a social organization but one cannot try to successfully live for a long time in opposition to the interests of the community in which he is placed. Therefore, the industrialist should not attempt to do a thing merely because the penal clause in the legislative measure governing his actions as a factory owner compels him to do, but he should do it as part of his duty to the nation on the strength of which the strength of the industry and his own security lies. Self-education on the part of the industrialist is needed to achieve this.

The factory inspection staff as at present constituted is inadequate and to a certain extent incapable of successfully doing the tremendous work assigned to it. How it is incapable can be proved by referring to the fact that men with merely engineering qualifications are employed as inspectors. These may be good engineers, very good at heart, but if they are unable to understand human needs and values what sort of inspection they can enforce and how such inspection will improve the lot of workmen, is beyond our comprehension. The principle of appointing engineers seems to be to look after the conditions of machinery and not of human beings; thus human considerations are lost sight of. It is understood that to inspect and improve the lot of thousands of women there are about two Inspectresses for the whole of India. What a sad neglect of human life!

Later sections of the Factories Act dealing with health, protective and sanitary measures within the

work-places are more often observed in their breach. Greater attention must be paid to enforce these legislative measures in the interest of the health of thousands of workers. The Central Government, now aware of the need to improve the lot of industrial workers as regards their health, have caused a health survey to be made and the report has been published. It is hoped that the facts collected will be utilized for planning constructively so as to reduce sickness and suffering in future. In this connection it must be said that however chaotically the villages may be built, however unhealthy their dwellings may be, the villagers who are drawn into the crowded industrial cities are not provided with better conditions of living than they could get in their native villages. In their rural environment there is ample scope for them to have sufficient sunlight and air and natural ways and means of consuming a more healthy meal. They have enough water in tanks, rivers and wells to bathe or drink and they have a better sense of social security and contentment in the framework of their community in which they are placed. Besides, the nature of the work they have to do in their village is less strenuous and less monotonous with more leisure and other advantages than the industrial work. It may be argued that the industrial worker is better paid; but on comparative merits the better cash wage in an industrial city is a myth. Naturally it falls upon the industry and the State to improve the health of millions by providing adequate preventive and curative medical and health facilities. Of course, in this direction there is one obstacle from the workers and that is their lack of co-operation to any new endeavour due to their conservatism born of ignorance. This obstacle is not so insuperable as is often described to be; it can be overcome through education.

*Wage Disparities.* The most important post-war legislation is the need for wage fixation and stand-

ardization. Several of the industrial enquiry committees have recommended wage fixation. There seems to be no definite basis or standard today which determines the amount of remuneration payable to a particular type of work. This causes a widespread disparity between the wages paid in the same industry for similar occupation of various units, wages paid in different areas, and also varying wages paid for similar occupations in different industries. Such a disparity is the source of perpetual discontent which has been already responsible for a great number of industrial disturbances. Standardization will naturally involve minimum wage fixation. In the event of resorting to legislative measures to standardize wages, due consideration should be given to the requirement for a standard of living which will ensure a healthy life to all the members of the working community as also an efficient industrial organization. Wage fixation and standardization are necessary in order to fulfil the promise of "freedom from want," which is one of the peace aims.

The Bombay Textile Inquiry Committee have gone further and recommended a living wage standard. The Bombay Textile Inquiry Committee in their report say: "In all centres and for large majority of occupations in the Cotton Textile Industry the wages earned are inadequate in relation to a living wage standard." One may ask what is the importance of wage standardization? The answer is that a large majority of industrial disputes mainly relate to wage questions. (1) An all-round standardization will remove the cause of recurrent wage disputes and the consequent industrial and national loss. (2) It will remove unfair competition between unit and unit or centre and centre which prevails under the existing wage disparity. (3) It has a great educative value in providing a sound basis for comparison and verification of all standards. (4) It widens the scope for collective bargaining. (5) It infuses in the minds of workers a sense of solidarity

necessary for industrial peace and national well-being. (6) Finally such a standardization will naturally increase the earning capacity of the workers and thereby increase the purchasing power of the industrial community as a whole which will indirectly mean larger output, quicker distribution and better turnover. The Bill for framing the minimum wages payable is already under circulation for eliciting opinion. It aims to improve the wage position of "sweated labour" in certain specific employments connected with agriculture, horticulture and forestry including storing, transporting and marketing of the products of these industries as stated in the statement of objects of the Bill. The Bill as it is seems to be defective in three aspects: (1) it does not aim to set up permanent wage boards that could continuously and constructively tackle the issue; (2) the Advisory Boards that are to be constituted under the Bill are to tender advices to the Government but there is nothing to specify that the advices are binding; and (3) there is nothing in the Bill specifying the method or basis on which minimum wages are to be decided upon for the specified employments and industries. The Bill may bring succour to the 'sweated labour' but it is feared that it will not be able to improve the general lot of labour in the country. This is only the first step in the direction and successive enactments to ensure a living standard wage can only solve the vexed question of wage increases largely responsible for industrial unrest. The minimum wage Bill to be effective in raising economic level of labour class which will mean larger purchasing power and more industrial development must be uniformly enforced. The basis on which the minimum wage rate should be fixed must be on the subsistence level of living standard ideal for the country's economic development. This brings in the need for Bill to determine the living standard before the minimum wage Bill could be effectively enforced. As remarked by a



prominent South Indian labour leader, any attempt to fix the minimum basic rates on the comparative merits of ruling rates will amount to "standardisation of poverty and not standardisation of wages." So our minimum wages should not be just above the poverty level but be sufficient to provide means for a decent living in accordance with economical necessities of the country.

*Legislation Determining the Employer-Employee Relations.* The Trade Disputes Act of 1929 is the only legislation that regulates employee and employer relations on an all-India basis. The Act is very indefinite on various vital issues and it has not helped to solve the problem of industrial disputes. There is nothing in the Act to prohibit illegal strikes.

The Act lays down the principle of conciliation proceedings in an industrial dispute, but in a majority of provinces and states there is no permanent arrangement for conciliation. Even in spite of the existence of a conciliatory machinery there have been a number of instances where steps were taken long after a dispute arose and strikes were started. To put it rather plainly, in spite of the Trade Disputes Act, much of avoidable hardships to the workmen and public, resulting out of strikes, were allowed to occur. The Act was passed in 1929 and if we compare available statistics regarding strikes, we can understand clearly the inability of the Act to reduce suffering due to strikes :—

Year	No. of Disputes	Workmen Involved	Work-days Lost
1930	148	196,301	2,261,731
1931	166	203,008	2,408,123
1932	118	128,099	1,922,437
1933	146	164,938	2,198,61
1934	156	220,808	4,775,559
1935	145	114,217	973,475

Year	No. of Disputes	Workmen Involved	Work.days Lost
1936	157	169,029	2,358,062
1937	379	647,831	8,982,795
1938	399	401,075	9,198,708
1939	406	409,189	4,992,735
1940	322	452,539	7,577,288
1941	359	291,054	3,330,503
1942	654	820,495	5,293,027

The last three years fall within war-time emergency period, yet there have been more stoppages than in previous years. Since 1930 upto 1942 there have been in all an average of 296.8 strikes affecting 324,427 workmen and 4,318,686 work-days lost per year. The above figures show that there has been one strike almost every working day. The total number of workers employed in industries according to published reports is 2,727,972 in 1940. If we take into consideration the total number of workers in relation to the average number of work days lost in a year it reveals that every worker loses two days' wages due to strike. This colossal loss of work-days and earning capacity will naturally explain how ineffective the Act has been and what remedial measures are to be taken to improve the same. The Bombay Trade Disputes Conciliation Act of 1934 and the Bombay Industrial Disputes Act of 1938 attempted to remove the two major defects of the All-India Trade Disputes Act of 1929 by (1) setting up a permanent conciliation machinery and (2) making conciliation compulsory. But these two Acts are applicable only to the province of Bombay. The Bombay Industrial Disputes Act is a far advanced piece of legislation under this head but it is not yet perfect in all aspects. There is already a move afoot to make improvements in the same.

The notable points of the Bombay Industrial Disputes Act are: (1) It attempts to regulate the conditions governing employment through mutual

understanding of the parties concerned. (2) It definitely lays down that rules and regulations governing service conditions should be drawn as agreed to by both the parties and settled by the Labour Commissioners with a right to appeal to the Industrial Court. Nowhere in India such a provision is made. (3) It prohibits all lightning strikes and affords sufficient time and opportunity to avoid any strike. (4) It aims also to promote genuine trade unions on sound lines. (5) It sets up a permanent Industrial Court. Though there are a number of technical defects like the lengthy conciliation proceedings, etc., yet the general principles involved in the Act are very progressive. It will be in the best interest of Indian industry and the workers to have an extensive legislative measure on the lines of the Bombay Industrial Disputes Act for the whole of India. Working classes are day by day growing conscious of their rights and privileges and their demand for fair and equitable treatment is increasing. The good deal of unrest that prevails these days is the result and such definite legislation to prevent loss and suffering is very essential.

The Bill for requiring the employers to formally define conditions of employment has been passed into an Act (Act XX of 1946) which requires the framing of Standing Orders to determine employer-employee relationship in industries employing more than 100 workpeople. These Standing Orders are more important than the Trade Disputes Act as these help to decide the daytoday problems in a factory or workshop. The Standing Orders are the terms of contract between the employer and employee and as such need to be clear and definite on all issues that may arise out of industrial employment.

*Legislation Relating to Collective Bargaining and Workers' Organizations.* The only Act in the field is the Trade Unions Act of 1926. The important

point of this Act is that it has given a legal status to trade unions. Beyond this it has not been able to achieve any material progress. The above fact can be substantiated by the history of trade unions. The total number of trade unions in 1927-28 was twenty-eight with a membership of 100,619. This works out to an average of 3,400 per union. In 1940-41 the number had risen to 711 with membership of 513,832 and the average membership per union was 1,064. The increase in the number of unions was due to a large extent to the split in the original unions and formation of many small unions with comparatively less membership. Though trade union movement has been going on in this country for over two decades, its progress and achievements are comparatively poor. The 513,832 members of the registered trade unions mentioned above include those of a few unions other than the industrial ones. But still if a percentage is worked out the membership will come to less than 20 per cent of the total number of workers employed in the industry. The Ahmedabad Textile Labour Union seems to be one of the very few well organized trade unions with 24,000 members to its credit and running a number of welfare organizations. The Act, as it is, empowers registration but there is no binding of compulsory recognition of such trade unions on the part of the employers. In the absence of such compulsory recognition the union will not be able to achieve much in collective bargaining. Compulsory recognition without certain obligations on the part of the unions is not advocated. Legislation to that end detailing the minimum conditions which would entitle recognition is very essential. A genuine trade union is a source of power and strength to industry.

*Welfare Legislation.* Welfare legislation seems to have ill-fared in the hands of administrators and industrialists. There seems to have been no genuine

interest to materially improve the living conditions of the industrial workers.<sup>3</sup>

Let us take the two existing Acts: (1) the Maternity Benefit Act, and (2) the Workmen's Compensation Act. The Maternity Benefit Act was first enacted in Bombay in 1929 to be followed by various other provinces. Assam passed an Act of its own in 1940 and the Central Government's Mines Maternity Act was passed in 1941. In spite of comparatively large number of female workers employed in various industries, the Central Government could not think of enacting a measure to protect their health during the pre-maternity and post-maternity periods. The benefit provided under the Act is very inadequate. The issue must be considered under two heads: (1) protection to the industrially employed mother and (2) protection to the future generation of the nation. The interest of the industry is not only concerned with the mother employed but also with the child who is yet to be employed. The period of benefit must be extended to three months; four weeks before and eight weeks after maternity, and the period of employment entitling one to benefits should be reduced to six months instead of nine as at present. Besides, adequate facilities for medical and maternity treatments must be made available at reasonable cost or free.

The Workmen's Compensation Act is also defective. The injured has no provision for the first seven days of absence and even the financial aid provided by way of fortnightly payments is inadequate because the injured as a bread-winner has not only to support his family but also to attend to his injury. The Indian industrial worker is not so well paid as to lay aside enough to meet such contingent expenses. As the injury is the result of mechanised industry it is essential to see that adequate provision is made by the employer to provide for the treatment

and maintenance of the worker and his family during such treatment. In this connection it may be suggested that in the cities, or large industrial centres, all the employers can pool together their resources and provide well equipped hospital facilities not only for the worker but also for his family. It will not only be a help to the worker but will also relieve the congestion in private and public hospitals and thus by reducing the strain may help to provide better facilities for treatment and care of others. On the whole, industrial employment conditions must be made sufficiently attractive to draw men from the rural areas. Some argue that if a proper sickness insurance scheme is introduced then the issue of compensation for industrial accident will not arise. This is a misreading of the situation. Sickness is different from accident and it must be dealt with separately. Moreover, the compensation that is provided is very inadequate, especially in case of very serious injuries, particularly to life and limb. The compensation awarded today is based on the poor man's standard. In fact, the very basis of this Act is wrong as has been shown by Mr. A. N. Agarwala in Chapter XI of this volume, and requires an immediate change.

One deplorable feature in connection with the compensation payment is the delay in obtaining relief for the victims. There are some organizations like the Bombay Millowners' Association where there is a permanent machinery in the form of the Bombay Millowners' Mutual Insurance which quickly dispenses all compensation cases. But in case of many individual concerns where the injured or the family members of the injured have to fight their own compensation cases it is often a lost battle. It may be mentioned by way of illustration a case which is within our knowledge. A young boy of about 20, a promising carpenter, was employed in a cinema production company. In the course

of his work he fell down and sustained some injuries to which he succumbed. The employer tried to avoid payment of compensation by false methods. The father took up the case through lawyers and after a month or two a lump sum compensation was awarded but by that time the ownership of the company had changed and the original owner had disappeared. The poor father after several attempts to get relief finally gave up hope. Similar cases may be many. D. A. Buchanan says, "Injured workers have so far made little use of the provisions (of the Compensation Act) because they deem it better to accept what is offered than to enter a litigation.....Many people, however, do not know that such a law exists and therefore fail to make any claim."<sup>2</sup> Besides, the migratory tendency of the workmen makes it impossible to trace the claimants when the amounts of compensation are realised through commissioners. Future legislation must aim at setting right all these defects.

From the foregoing observations it will be seen that there has been no definite effort to safeguard the rights and privileges of the large majority of agricultural and other miscellaneous labour excepting the industrial. If there is to be uniform opportunity to live life on an equal level it is necessary to protect the life and standards of all alike. This is a very fruitful field for fresh legislation along the lines pursued with reference to industrial labour. The piece of legislation, and that too on a partial basis, helpful to the agriculturists seems to be the Debt Redemption Act.

*Need of Fresh Legislation.* In the field of industrial labour fresh legislation to improve the glaring inequalities is necessary on the following subjects: (1) Compulsory Industrial Housing, (2) Sickness Insurance, (3) Old-age Pension and Provident Fund,

2. Buchanan, *Op. Cit.*, p. 448.

(4) The Industrial Workers' Welfare Act, (5) Protection against unemployment.

The low standard of living of the industrial worker seems to be a part and parcel of the poverty of the masses which breeds discontent and social insecurity. The Prime Minister of England has promised "food, work and home for all." The Atlantic Charter has re-emphasised the above with a pledge to improve the standard of labour through social and economic development. There are no promises for the Indian poverty-stricken masses. This can come only through a Government interested in the well-being of the nation, as has now been formed. Food, shelter, clothing and sufficient facilities for health and education and guarantee against unemployment are the minimum requirements for the social and economic security in India and legislation to that effect is very essential at an early date to avoid conflicts.

The importance of Social Security Legislation is stressed in all the labour conferences and many schemes are under consideration. The post-war period will see a number of beneficial enactments devoted to the improvement and wellbeing of the working class. The important factor that should be considered, then, is the need for a uniform legislation for the whole of India and not the piecemeal affair which is being adopted by legislatures today. The Royal Commission on Labour has very strongly advocated the need for all-India legislation. Whatever legislation is enacted, it must be made applicable to the whole of India including the States, big and small.

Considering the miserable standard of living of most of the working men and women today, it is very necessary to introduce a large variety of welfare services for their benefit. These services must cater not only for the workman, but his whole



family. The worker's food, recreation, education, and general culture require attention at least during a transitory period. The worker should be helped to protect and care for the small child, and give a decent education to his sons and daughters. Families should receive adequate attention, and friendly guidance in their day-to-day struggle in a difficult and complex world. All these can be attended to if properly organized welfare departments extend their present activities and aim to achieve the real and personal welfare of the working class.

*Need of Uniform Legislation.* India being a huge subcontinent with 'conflicting industrial interests as between provincial, central and native state Governments, has been handicapped in the way of uniform all-India labour legislation. From 1920 to 1937, the Central Government was active in the sphere of industrial legislation, leaving the option of enforcement with the Provincial Governments. There were in all 35 Central Government enactments during this period. But since the introduction of the Government of India Act of 1935, labour subjects have been put into three lists: (i) Federal List; (ii) Provincial List ; and (iii) Concurrent List, giving room for disparity in legislation. Dr. Ambedkar's observation made before the Conference of Labour Ministers when he was the Labour Member, may be quoted here in this connexion: "So long as the Government of India was unitary Government, uniformity in labour legislation was not difficult to obtain. But the Federal Constitution created by Government of India Act of 1935 by including Labour Legislation in the concurring list, has created a very serious situation. It was feared that, if there was no central legislation each province might make a particular law specially suited to itself but different from that of its neighbours by allowing provincial considerations dominate over considerations of general and national importance." Now that the constitution-

making assembly of the future form of Government of India is to reconsider the matter *de novo*, it may well try to remove the existing defect and give the Centre more power to secure uniformity in labour legislation. The pernicious effects of differential labour legislation accounting for varying conditions have been fully emphasised in the Preamble to the Constitution of International Labour Organization which itself symbolises the need of international legislation. The Preamble lays down that "the failure of any nation to adopt humane conditions of labour is an obstacle in the way of other nations which desire to improve conditions in their own countries." When there is such a need of uniformity of labour legislation in the international field, in a country like India the need for uniformity must be much greater. The great disparity of labour conditions, by unequally distributing the burden of labour legislation among the provinces have tended to drive industry from the advanced provinces and states into less advanced ones thereby creating unfair competition. This state of affairs must stop.

To conclude, the urgent post-war needs in our view are a uniform labour code for all kinds of labour, proper machinery for the enforcement of the same all over the country, and the extension of existing labour laws to all kinds of industrial occupations, before we venture upon further labour legislation.

## CHAPTER XIII

# SOCIAL INSURANCE IN INDIA

*By A. N. Agarwala (Editor)*

### I. RECENT PROGRESS : THE PHASE OF PLAN-MAKING

The history of social insurance in this country may be said to really begin from the year 1943. Before the thirties of the present century, India was not even conscious of any social insurance problem and the need of its solution. It was in the year 1927 when the International Labour Conference passed, at its tenth session, two Conventions and one Recommendation concerning health insurance that the question of introducing a branch of social insurance came up for the consideration of the Government of India for the first time. The Government came to the conclusion, in 1928, that conditions in India did not warrant a ratification of the Conventions. Since then right up to 1942, only a few schemes of social insurance nature received perfunctory attention at the hands of the Royal Commission on Labour and provincial labour committees—only health insurance being discussed in somewhat greater detail and more seriously—and this did not provoke any action on the part of the Government and was barren of any practical result. It was after the publication of the Beveridge Report that a comprehensive, unified and all-in view of the social insurance system began to be taken in this country in place of the individualistic and separatist approach hitherto made. In the pre-1943 period, in which social insurance made considerable progress in all the progressive countries of the world, we unfortunately made no fruitful effort to introduce or even prepare a complete social insurance scheme, not to

speak of a full-fledged plan of the social insurance system as a whole.<sup>1</sup>

The year 1943, however, marked a new phase in the social insurance movement in this country.<sup>2</sup> The following years witnessed wide and extensive appreciation of the need of a complete and united system of social insurance in India and definite steps began to be taken for the preparation of certain plans in this regard. All the progress in the sphere of plan-making is thus confined to the years 1943-1946.

It was in March, 1943, that Professor B. P. Adarkar was asked by the Government to draw up a health insurance plan for the industrial workers of this country, and he submitted his report in August, 1944. This plan is the first comprehensive social insurance scheme to be prepared and marks the starting point of the new phase of the social insurance movement, the phase of plan-making. Messrs Stack and Rao modified this scheme so as to incorporate in it maternity and employment injuries insurance schemes for industrial workers. After completing the health insurance scheme, Professor Adarkar prepared two other schemes—a maternity insurance scheme for mine labour and a social insurance scheme of a broader character for Indian seamen. Let us briefly study these schemes below.

*Employment Injuries and Maternity Insurance.* The Government have already given statutory protection to workers in respect of employment injuries and maternity. Chapters X and XI of this volume have exhaustively examined the statutory measures

1 We have used the term "scheme" to refer to a branch of social insurance and the term "system" to refer to all the branches of social insurance collectively.

2 We have dealt with social insurance movement in this country prior to 1943 in considerable detail elsewhere. See our article entitled *The Problem of Social Security for Industrial Workers in India* in *INTERNATIONAL LABOUR REVIEW* (Montreal), January, 1946.

concerning these contingencies and will have suggested to the reader the limitations of these measures. The Workmen's Compensation Act is an all-India legislation but applies to specified categories of workers only who earn less than Rs. 400 per month. Maternity Benefit Acts have been passed by only some provinces and not by others; and they cover only female workers. Besides these limitations relating to their scope, they give no medical benefit, and the cash benefit that is given is not related to the wage level or to cost of living or size of family. But their greatest defect is that the employer alone is required by law to pay entire compensation to the injured workman, which besides being unfair to him, gives him great temptation to evasion. In fact, evasion of these Acts has been almost universal and workers have been able to secure only limited benefits from them. It is, therefore, absolutely necessary that the principle of social insurance is applied to them. This was emphasised by Professor Adarkar in his report and Messrs Srack and Rao have modified his plan so as to include in it employment injuries and maternity insurance schemes.

*Health Insurance.* Professor Adarkar's plan of health insurance for India's industrial workers seeks to cover three major groups of Indian industries, viz., all textiles, all engineering and all minerals and metals. All perennial factories will, according to it, be covered except those which fall under "Scheduled Exceptions." These are (i) employment in the armed forces of the Crown, (ii) employment in public departments, (iii) employment in public utility concerns where Member in charge of the portfolio of Labour certifies that the sick pay and medical facilities are no less favourable than the corresponding benefits conferred under the scheme, (iv) factories in sparse areas for which separate provisions have been made, and (v) private

factories for which exceptions can be granted on the basis of the provision of equal and better facilities. Certain categories of workers are to be exempted, i.e. left out if they so like. The upper income limit is Rs. 200 per month and the upper age limit is 60 years. The lower age limit is already fixed by the Indian Factories Act at 12. For the purposes of the scheme, workers have been classified into "permanent", "temporary", and "casual." The employers will have to contribute the same amount per head in respect of every worker, viz., Re. 1. 4 As. There will be no non-contributory class of workers. Workers will be divided in three classes: Class A (earning Re. 1 or more per day), Class B (earning As. 8 or more but less than Re. 1 per day), and Class C (earning less than 8 As. per day); and their contributions will be 12 As., 8 As., and 4 As. per month respectively. Professor Adarkar was asked to prepare a scheme which did not require contribution from the State; even so, he could not help emphasising the need of the State's financial participation therein. If the State agrees to contribute, he suggests that the Government of India should contribute 2 As. per worker per month and the Provincial Government concerned, 6 As. per worker per month; and correspondingly a relief to the tune of 2 As. per worker per month to each worker and of 6 As. per worker per month to the employer should be given. The Fund will give cash benefit as well as medical benefit. Cash benefit will require a qualifying period of 6 monthly contributions, either continuously or intermittently. A permanent worker will be entitled to a maximum of 90 days' cash benefit subject to certain conditions. Similarly, a temporary worker will be entitled to a maximum of 45 days' cash benefit. The casual worker will get no cash benefit but only medical benefit. The scale of cash benefits will be as under:—

Period	Class A	Class B	Class C
Until the first 6 contributions are paid ... ..	Nil	Nil	Nil
After 6th contribution and up to 24th contribution (Partial Cash Benefit) ... ..	6 As.	4 As.	2 As.
After payment of 24th contribution ( Full Cash Benefit ) ...	12 As.	8 As.	4 As.

Medical benefits will be given without any conditions as to qualifying period commencing from the first day of illness up to final recovery, subject to certain rules regarding "protective period". There will be a schedule of additional benefits which will be available if funds permit them at a later stage. The allocation of the total funds will be as under:—

#### Percentage of Total Funds

Cash Benefit	...	40.00
Medical Benefit	...	42.50
Administration	...	12.50
Contingency Funds	...	5.00

100.00

The resources of the Fund have been calculated to support a morbidity figure of about 16.1 days on an average and as the rate of sickness yet registered in the Indian industries nowhere exceeds 14.6 days this leaves a considerable margin of safety. In case the budget of the Fund shows a deficit, the Government would give an interest-free loan repayable later out of the surpluses of the Fund. The actuarial basis of the scheme will be budgetary or assessmentism and not capitalization. The

administration of the Fund will be in the hands of a Central Board of Health Insurance which will be registered as a statutory corporation and will be organized on a territorial basis so as to have appropriate representation of the State, Labour, Employers and Medical profession, and an adequate degree of unification and centralization. Medical machinery will be evolved on the principle of salaried medical service except in sparse areas where panel system may be adopted. Existing medical facilities provided by the employers will not be demolished but will be allowed to continue if they provide equivalent facilities.

*Stack and Rao's Integrated Scheme.* Professor Adarkar was asked to prepare a health insurance scheme only; consequently, he could not, in the main body of his Report, consider what should be done with regard to maternity benefit and workmen's compensation schemes already in force. But in the appendices he exhaustively and critically examined the working of these measures, which are, indeed, borderline cases of health insurance, and made a strong case for merging them in a unified system of health, maternity and employment injuries insurance. This report was submitted to two I. L. O. experts—Messrs M. Stack and R. Rao—for examination who were invited by the Government of India for the purpose. They not only almost wholly endorsed the recommendations of Professor Adarkar but also expressed their agreement with him in regard to the establishment of an integrated system of health, maternity and employment injuries insurance scheme. They modified his scheme so as to include in it the coverage of these risks as well. They, however, differed from him in one important respect. Whereas he had recommended that the Health Insurance Fund should provide both cash as well as medical benefits, Messrs Stack and Rao recommended that the Fund should provide cash benefit only and the State should furnish medical benefit. This is quite a controversial issue for



India in her existing economic and administrative conditions; and we feel that in view of the acute shortage of medical facilities, it will be advisable to accept the original recommendation of Professor Adarkar in this regard and let the Fund set up its own hospitals and dispensaries. Among the other important suggestions made by the I. L. O. experts are the inclusion of non-manual workers on the same terms as manual workers without regard to income; the application of the scheme to all the industries; the provision of a grant from taxation; the treatment of the family as a unit; and the grant of cash benefit sufficient for subsistence in all cases and proportioned to the normal standard of living for workers of the lower and middle grades. The modified Adarkar Scheme has been discussed by the Government of India with the various interests involved and is likely to form the basis of the Health Insurance Bill which is expected to be introduced in the Central Legislature in near future.

*Other Adarkar Schemes.* Professor Adarkar has also prepared a scheme for protecting Indian seamen. The question of social insurance to the maritime labour of this country was greatly neglected during the pre-war period. Before the World War II, the total number of Indian seamen was about 200,000; but it increased during the War by no less than 50 per cent. The absence of social insurance coverage, ordinarily deplorable in the case of every class of labour, has been doubly so in the case of the growing maritime labour on account of the fact that foreign seamen with whom Indian seamen work—about 80 per cent of the latter are employed on foreign lines—enjoy considerable insurance benefits and have been demanding the dismissal of the latter from foreign ships since they tend to depress general standard of living. The Commerce Department of the Government of India.

therefore, removed a long-felt grievance of the Indian maritime labour by requesting Professor Adarkar to prepare a social insurance plan for their protection. This scheme, it is reported, covers sickness, unemployment, injuries and old age. The scheme was considered some time back by the *ad hoc* Advisory Committee of seamen ; and has further been scrutinized by an I. L. O. Expert, Dr. (Miss) Laura Bodman. Another scheme prepared by Professor Adarkar is the maternity insurance scheme for mine labour. Mine labour did not have any maternity benefit scheme till the year 1941 when the Mines Maternity Benefit Act was passed by the Central Government. The history of maternity benefit legislation in this country now opens up a new chapter with the preparation of a social insurance scheme in respect of maternity for the benefit of the mine labour.

It is stated that a statutory corporation will be floated to administer all the above-mentioned schemes, viz., health insurance, employment injuries insurance, maternity insurance and social insurance for seamen. It has further been decided that medical benefit under health insurance scheme will be furnished by the Provincial Governments. It remains to be seen what arrangements are made on the medical side with respect to maritime and mine labour and how, in fact, the Provincial Governments arrange to give medical benefit in their present shortage of medical facilities. We feel that the suggestion of making Government responsible for medical benefit is unwise and harmful and would delay the introduction of the various social insurance schemes prepared in this country.

The Government of India in the Labour Department also appointed a Labour Investigation Committee in 1944 under the chairmanship of Mr. D. V.

Rege, I.C.S.<sup>3</sup> to collect statistical and factual material on the basis of which a social security plan could be drawn up which may be considered along with other post-war plans at appropriate time. The terms of reference of the Committee were as under:—

- (a) To collect data relating *inter alia* to wages and earnings, employment, housing and social conditions of labour and in particular of industrial labour for India; and
- (b) To investigate and report, *inter alia*, on the following matters: (i) the risks which bring about insecurity; (ii) the needs of labour by various classes to meet such risks; (iii) the methods most suitable for meeting such risks; and (iv) housing and factory conditions.

The Committee examined no less than 38 industries and submitted a separate report on each of them in 1945. It has collected valuable data<sup>4</sup> and its reports are a mine of most valuable information.

## II. GAPS IN A SOCIAL INSURANCE PLAN FOR INDIA

A complete system of social insurance should consist of the following main schemes: (i) health insurance; (ii) maternity insurance; (iii) employment injuries insurance; (iv) invalidity insurance; (v) unemployment insurance; (vi) old age pension insurance; and (vii) survivorship insurance. We have discussed above the schemes that have been prepared in our country in regard to the first three branches. With regard to the remaining branches, no work has yet been done beyond some passing references made by official Commission and Committees to unemployment insurance, provident fund and retirement pension schemes, and that too towards the close of

<sup>3</sup> Members of the Committee were Professor B. P. Adarkar, Mr. R. S. Deshpande and Dr. Ahmed Mukhtar.

<sup>4</sup> For details, see Chapters II and XIV of this volume where some of the reports have been discussed and examined.

the third decade of this century and thereafter. We propose to make some tentative suggestions regarding branches (iv) to (viii) to complete the picture of a social insurance plan for India.

*Non-employment Injuries Insurance.* Non-employment injuries insurance should, in our opinion, be in all essential respects similar to the employment injuries insurance; for so long as the injury is identical, the benefit should be identical, and the place where and the manner in which such an injury has been received should be immaterial in this regard. In the United Kingdom, however, it has been decided to have an employment injuries insurance scheme quite separate from the general social insurance system as the British Government intend to give a higher benefit to the victims of employment injuries than to those of non-employment injuries or other social contingencies. But in our country where absolutely nothing practical has yet been done in the direction of social insurance and where the utter poverty of the people puts a serious limitation to the scale of benefits that can be given, such an ideal is beyond achievement. It will be quite satisfactory if we bracket up both employment and non-employment injuries together and give benefits at the same level in respect of both.

*Unemployment Insurance.* The problem of unemployment insurance was considered by the Bombay Strike Enquiry Committee, the Royal Commission on Labour, the Cawnpore Labour Enquiry Committee, the Bihar Labour Enquiry Committee and the Bombay Textile Labour Enquiry Committee, but their references, in their very nature only brief and tentative, did not result in any practical action. Unemployment is more fluctuating and unpredictable than sickness, which explains why unemployment insurance is generally introduced in a country after health insurance has worked successfully for some time and theoretical and practical experience has

been acquired to work out more difficult schemes. Unemployment insurance requires, *inter alia*, two essentials for its successful operation. In the first place, the scheme should be unified and cover a large 'universe', for as the area of risk coverage increases, the risk becomes more predictable and its incidence is reduced. Secondly, there should exist a fine network of employment exchanges so that as soon as an insured gets out of employment, he may be given another job. In our country, the principle of unified and nation-wide system of social insurance has already been accepted and a system of employment exchanges has also been set up and is being made more extensive. These developments would surely help the introduction of unemployment insurance. The establishment of an integrated scheme of health insurance, employment injuries insurance and maternity insurance in near future, will be an added reason for its introduction.

Unemployment insurance should in the beginning be confined to workers coming under the Indian Factories Act. The risk covered should be temporary unemployment which is neither caused by a fault or desire of the unemployed nor by any physical or other handicap that is or should be the subject-matter of some other branch of social insurance. The aim of the scheme should be to give unemployment benefit without any time-limit. Just as a worker after exhausting sickness benefit can rely on invalidity pension, similarly the unemployed should be given unemployment benefit till he is re-employed. The system of fixing the maximum benefit period such as is contained in the I.L.O.'s Unemployment Provision Convention and Recommendation of 1934 is now regarded as out-of-date. The right method of keeping the cost of such insurance is to galvanise the economic activity in general in such a manner that unemployment is reduced to a very low level. This is implicit in the Beveridge Plan, and its "Assumption C" takes it for granted that unemploy-

ment will not exceed 10 per cent. Such a condition may not be capable of realisation in this country at the present moment or even in immediate future, which may necessitate the fixation of a maximum duration of benefit availability. But this should not be our ultimate aim and we should try to make the availability of benefit free of any time-limit as early as conditions permit. Unemployment benefit will be a cash benefit but it should be associated with a rehabilitation and re-training service so that an unemployed may be trained for another job, if necessary. Benefit should be governed by a qualifying period which may be put at 5 years lest benefits flow out to temporary, casual and badli workers; and a waiting period of 5 days as in Marsh Plan or 7 days as in Wagner-Murray-Dingell Bill.

*Old Age Pension Insurance.* The need for some sort of provision for old age has been felt in this country for some time past and this problem received the attention of the Royal Commission on Labour, the Cawnpore Labour Enquiry Committee, the Bihar Labour Enquiry Committee and the Bombay Textile Labour Enquiry Committee, though none of them recommended the establishment of old age pension insurance. This is not surprising if only because this is the most expensive branch of social insurance and generally appears at a very late stage in the evolution of social insurance system. Old age pension is a benefit which is earned by putting in a prolonged service, and hence the qualifying period in this case must be long—may be as long as 20 years. The age of retirement should be statutorily fixed at 65 for men and 60 for women as in Australia, Great Britain and Belgium and as recommended in Beveridge Report, Marsh Report and Wagner-Murray-Dingell Bill. Workers should, however, be encouraged to continue to work even after the statutory age of retirement if they are fit to do so by increasing the amount of pension.

*Invalidity Pension Insurance.* When an insured has exhausted all the cash benefit to which he is entitled under health insurance and still continues to be sick, he should be regarded as invalid. Invalidity may be defined as permanent total incapacity, though the term permanent is used here in an elastic sense and various degrees of permanency are recognized. In practice, again, if a worker loses two-thirds of his earning capacity he is regarded as invalid. The amount given as invalidity pension should be slightly less than old age pension so that the worker may have inducement to work as soon as he can. The qualifying period for invalidity pension should be fixed anywhere between 2 and 3 years.

*Survivorship Pension Insurance.* When a worker dies and leaves some dependants who cannot support themselves, financial help should be given to them till the younger members begin to earn for the support of the family. The widow should be given a pension which should be unconditional as in Great Britain and Belgium, though steps must be taken to safeguard against death-bed marriages. Every minor child should also be given a pension which should continue up to 16 when the minor can begin to earn, or up to 18 years if he or she continues to receive education. The qualifying period for survivorship pension should be kept between 2 and 5 years. As a rule the survivorship pension should be kept at the level of the pension which the worker would have received had he been alive and invalid, and in no case should it exceed the invalidity or old age pension.

### III. ORDER OF PRIORITIES

It should be evident to every student of Indian economics that all the above schemes cannot at once be introduced in this country

mainly because of financial reasons. It has been found in foreign countries that social security costs about 10 per cent of the national dividend; and as our aggregate national income is much less than most of the foreign countries, we might have to spend a larger percentage thereof under this head. But we cannot afford to part with any large slice of our national income which is not sufficient even to ensure two meals a day to all our countrymen. We can, therefore, make only step-by-step progress in this regard. Administratively also, it will be too difficult a task to set up an efficient organization to administer all the above-mentioned schemes simultaneously. It will further be advisable to hasten slowly and to take advantage of the experience of the actual working of certain schemes in building up other schemes.

These considerations indicate the need of fixing some priority schedule for the introduction of the different branches of social insurance in respect of populational categories and risks. According to current social security notions in the world, the system should be nation-wide and should cover employed as well as self-employed persons. But this cannot be achieved in our country by one stroke of pen since many sections of population are disorganized, do not feel the necessity of social insurance, are too poor to pay, baffle administrative regulation and control, or are sparsely populated. In particular, it seems to be well-nigh impossible in the existing conditions to apply social insurance to our cultivators. It would, again, be adding to our difficulties if we seek to apply these schemes to self-employed persons. Administratively and otherwise, the most suitable class for the application of social insurance on a compulsory basis is that of industrial workers coming under the Indian Factories Act. They should be first brought under the system. We may simultaneously rope in the maritime labour of the country,



which is also well organized, statutorily regulated and conscious of the utility of social insurance. In the second place, an endeavour should be made to apply the system to commercial workers as they are getting better organized amongst themselves and are also being brought under statutory control. Salaried class may next be included in the system. The remaining classes can be covered at later stages according to the merits of each case at different period points when such a course is found practicable. We do not hope that social insurance can be applied to our cultivators unless agriculture is mechanized or industries decentralise.

It would, again, be impracticable to introduce all the schemes at once. In the first place we should introduce health insurance, maternity insurance and employment injuries insurance for factory labour and a social insurance of a wider variety for Indian seamen. They are all within our capacity at the present moment; and we should not delay their introduction.

The next step should be the provision of protection against non-employment injuries which go with employment injuries. There is no reason why injuries "arising out of and in the course of employment" be covered and not those outside employment, when both create identical problems to the victims and logically require identical benefits. Moreover, no new organization will have to be set up for this purpose and the administrative and other organizations created in the first stage of development will, without undergoing any qualitative change, be able to cope with non-employment injuries cases also. We, therefore, feel that the time interval between the first and the second stages need not be long.

In the third stage, we may introduce unemployment insurance. We have already seen that the recognition of the principle of unification and the

establishment of a network of employment exchanges in our country have created favourable conditions for unemployment insurance. Associated with these is the fact that in view of labour scarcity and absence of unemployment on anything like the western scale, the cost of this scheme will not be so heavy in our country as elsewhere. Moreover, a qualifying period will give time for an appropriate organization to be set up and for an initial fund to accumulate, so that it may be possible to precede the time-table by a quinquennium.

Unemployment insurance may be followed by invalidity pension and later survivorship pension insurance. Finally, we may introduce old age pension insurance. This is the most costly branch of social insurance as can be seen from the fact that after 20 years of the working of the Beveridge Plan, retirement pensions are expected to amount to £ 300 millions out of a total social security budget of £ 553 millions, i.e., 54 per cent of the entire finances.

It is not possible at this stage to fix a time-table for the introduction of the various schemes which will ultimately form the social insurance system. For the fundamental factor which must govern the speed and scope of social insurance in India is the paying capacity of the workers, the employers and the State, which in each case is low and will grow only at a slow rate. This fact must of necessity slow down the progress of social insurance in our country. If, however, India is able to adopt a planned programme of economic development, our national income will begin to increase, and we can consequently hope to make speedy and extensive progress in this direction. But, plan or no plan, the need of a priority schedule will remain ; and what we have said above will continue to be valid.

## IV. OTHER CONSIDERATIONS REGARDING THE FUTURE

From the above survey, it will have been noticed that whatever progress in the field of social insurance has taken place in this country, has occurred during the last four years. Again, this progress has been in the field of plan-making alone, and not in that of the actual working of the plans. The schemes already prepared are only few, and much remains to be done even in this sphere. It was originally expected that after the Labour Investigation Committee submits its report, another Committee will be appointed to prepare a Beveridge Plan for India. This has, however, not been thus far done, and with the subject of planning in cold storage, there is no hope of such a Committee being set up in immediate future. The progress in the direction of plan-making, therefore, appears to have stopped with the work done by the Labour Investigation Committee, at least for the time being.

But if we view this recent progress in comparison to the past, which is conspicuous by any such development, we will have to admit that this progress is remarkable. But compared to what has been accomplished in foreign countries in this regard, these developments appear to be exceedingly limited. Without trying to undermine the value of the schemes that must be drawn up as a condition precedent to their being put into practice, we also feel constrained to observe that their value lies not so much in their preparation as in giving to them a practical shape. For with regard to the whole question of planning in this country, it might well be said that an ounce of practice is more useful than a pound of plan-making. The greatest defect of the social insurance movement in India as, such, is that it has not yet entered a practical phase.

The most urgent need at present accordingly is to put into practice at least those schemes which have already been prepared. As observed above, these schemes are within our financial capacity and there is no reason for delaying their introduction. A difficulty in this regard might, however, arise if Provincial Governments are called upon to give medical benefit, as proposed by Messrs Stack and Rao. For the Provinces do not have medical facilities at present so as to be able to satisfy the health insurance requirements. Nor do they have ample finances so that they may establish a new chain of hospitals and dispensaries to serve these needs. If they are, therefore, to supply medical benefit, they can do so only after a considerable length of time. We are afraid the ultimate implication of this proposal of Messrs. Stack and Rao has not been fully grasped : and if it is accepted, the social insurance movement of the country will be held up for some time to come. The right course, in our opinion, is to accept the original recommendation of Professor Adarkar and let the Health Insurance Fund establish its own system. The rate and extent of progress will doubtless be limited by the paying capacity of the triple interests involved, but within that limitation no stone should be left unturned to expand social insurance in our country.

We also feel that the data collected by the Labour Investigation Committee must not be allowed to get old and out of date. On the contrary, a committee should be immediately appointed to frame a social security plan for India on their basis. It should not only prepare schemes with regard to those social contingencies which have not yet received any attention, but it should also reconsider the schemes that have already been prepared, including Bhore Health Plan. This will ensure that the plans already made will agree with the complete system of social insurance when

evolved and will not in any way prejudice or come into conflict with that progress. The Committee should make not a merely theoretical ideal scheme incorporating the best features of the scheme current or planned in foreign countries, but a practicable plan. It should also set out a line of attack and a course of evolution appropriate to our case. Since progress of social insurance is impossible without a set plan, it will be better to frame the plan now than later.

We may in the last discuss the chances of the establishment of a complete system of social insurance in our country in near future. We hope that the schemes already prepared will be shortly given a practical shape. We are also not without hope that a complete social security plan may in course of time be drawn up on the basis of the work done by the Labour Investigation Committee, though this hope will perhaps take time to materialise. There is, however, no chance of other schemes being introduced in near future. It is only when an economic plan begins to function in this country, can adequate finances be found for working out a complete system of social security. Nobody can be sure when India will be able to adopt a programme of planned development as that can be done only when we acquire political powers which are at present vested in the British Government. The transfer of power to Indians, though certain as an ultimate proposition, is uncertain as regards its time of occurrence. The political horizon is at present dark. And so long as that continues to be the case, the prospects of a planned economy in India, and therefore of social insurance, cannot but be gloomy. It, however, appears that this gloom will only be short-lived, but it certainly defies any close prediction.

## CHAPTER XIV

# TECHNIQUE OF LABOUR INVESTIGATION

By M. C. Pant

### PURPOSE AND SCOPE

1. The subject of labour investigation is really very wide. Broadly speaking it covers a variety of subjects and every enquiry conducted into a working class community for the purposes of gathering any information of socio-economic nature is regarded as labour investigation. This would include any subject such as survey of health, welfare, wages, housing or working conditions. For example the enquiries into the utilization of leisure by the mill workers of Cawnpore now being conducted by the Government Labour Office may be regarded as within the scope of labour investigation.

2. There are two points in regard to the scope of labour enquiries. Firstly, the term 'labour' or 'working class' is often very loose in connotations and is not normally capable of very exact definition. What is meant by 'working classes' depends upon factors like social distinctions, income levels and economic activities. In fact, this term could cover workers in factories, mills, cottage industries, agriculture and even professions. In order to limit the scope of labour investigations the term worker is normally defined in full, for example the working class cost of living enquiries in Cawnpore and other industrial centres were usually confined to 'mill workers' only. The scope of the investigation is mainly governed by the purpose and therefore what should be called a 'worker' for a particular enquiry largely would depend upon as to what is the purpose or aim for which an enquiry is being conducted. Secondly, more often than not a single-purpose

enquiry is not conducted and it is customary to combine two or more enquiries so as to derive as much advantage as possible from the time and labour spent on an enquiry. It is usual, for example, to combine cost of living enquiries with other social or personal investigations, viz. housing, migration, etc.

3. Generally speaking, for the purposes of labour investigations the term 'working class' has been taken to mean the full-time wage earning class. Since there are difficulties in exact definition of a 'worker', in certain countries some of the labour investigations have been conducted on the cross-section of the community under some ceiling income levels irrespective of the nature of employment.

4. However, in a majority of socio-economic investigations conducted in India, the scope has not been scientifically defined with the result that the data collected is not comparable at two points of time or at two places. In order that the data pertaining to any enquiry are accurately collected it is most important that the purpose and scope of the enquiries should be precisely defined at the outset. The method and manner of the collection of data will naturally depend upon the purpose. For example, an enquiry into wages may be conducted with different purposes. It may be with a view to find out the distribution of income in the different strata of society or to judge the effect of income levels on birth or mortality rate, or standard of living, or for purposes of planning of social security. For in each type of enquiry slightly different technique will have to be followed.

5. Therefore, in the interest of scientific accuracy of the data to be collected in any labour investigation, it is very desirable that the scope and purpose are explained at some length<sup>2</sup> to the investigating staff. Normally, there is no harm if the working classes are

also taken into confidence as to purpose of an enquiry and the representative organisations of workers are furnished with full details of the scope and coverage. At times, however, there is a danger that the data are likely to be prejudiced in case the workers are apprised of the real purpose. For example, in conducting family budget enquiries in low paid Government employees for determination of the dearness allowances, it was felt that there was a tendency to over-rate the expenses in the expectation of getting larger dearness allowances. Obviously, great tact is required in collecting data under such circumstances. Though a uniformly exaggerated account of monthly expenditure is not likely to affect the relative importance of the items in the cost of living enquiries it is, however, necessary that the workers should not be given any hopes or fears about the scope or purpose of the enquiry for under these circumstances the data is not likely to be unbiased and unadulterated. On the part of the investigators also it is necessary that they should not identify themselves with any cause or purpose and should conduct the enquiry with as much scientific detachment as possible. The whims and prejudices of the investigators affect not only the course of enquiries but also colour the collection of the data with the result that statistical value of such enquiries is vitiated. The exact definition of the scope and purpose therefore helps to determine a number of questions that arise for answer during the course of investigations; and ensures the collection of data on a uniform basis. If the main purpose is kept before the mind, a number of conflicting problems can be easily solved with scientific accuracy.

#### SUBJECT MATTER

6. The scope of working class enquiries does not only differ in coverage and purpose but also in the subject matter. More often than not, labour inves-



tigations are confined to the collection of data in respect of employment, unemployment, wages, hours of work, cost of living, standard of living, industrial accidents and occupational diseases, housing, collective agreements, immigration, emigration, terms and conditions of service, working conditions, marital life, social life, indebtedness, civil conditions, and social security and welfare measures. The actual technique of investigation will depend upon the subject matter. In fact, there has been considerable specialization in matters of labour enquiries and details of technique and methods of particular enquiries have been perfected by personal experiences and researches of individual investigators or experts. The International Labour Office has focussed the attention of the investigators to the minute details and special features of particular type of labour enquiries. Most of the reports and other publications of the I. L. O. are not only a mine of information on the subject dealt in them but they are also a source from which advanced and perfected technique of labour investigations can be mastered by Investigators, Research workers and Statisticians. Unfortunately, there is absence of literature on special problems of India. The resolutions passed by various International Conferences of Labour Statisticians throw a flood of light on the technique of investigation in particular fields of enquiries. An attempt has been made here to deal with such common and essential points in the various types of labour investigations as cover the entire field of working class enquiries.

#### PRIMARY AND SECONDARY DATA

7. Attention has been mainly focussed here only on technique of collection of primary data direct from the working classes or such other records where they could be available. This primary data must be supplemented by secondary information already available in published literature, reports or

records. Certain difficulties are normally experienced in the conduct of enquiries for the collection of original data from the working classes and it is in this connection that special methods and technique are adopted. In order that the collection of primary data must be uniform as far as possible throughout the world, there is the international standardisation of labour statistics to which all the investigators, whether official or non-official, should make a constant reference. In the light of recent advances in the sphere of socio-economic investigations in many advanced countries, particularly U. S. A., it is very necessary to call another international conference of Labour Statisticians and Social Investigators under the aegis of the Economic and Social Council of U. N. O. or I. L. O. to lay down international norms and standards with regard to the collection and compilation of socio-economic data in general and Labour and Industrial Statistics in particular.

#### AD HOC ENQUIRIES

8. Labour investigations are generally conducted at some particular point of time or for some definite purpose in view. For example the wage census and the cost of living enquiries are normally conducted as 'ad hoc' investigations. Recently the Labour Investigation Committee of the Government of India conducted ad hoc surveys into labour conditions in a number of industries.\* Statistical data regarding labour may also be collected regularly at fixed intervals. For example, the information regarding industrial disputes and accidents is collected by Provincial Governments or Labour Commissioners

\* After this article was written some of the Reports of the Labour Investigation Committee have been published, and the author wanted to append a critical note on these Reports as they are the first comprehensive attempt to bring together all available information on labour in certain industries and a special technique has been developed. But on account of official decorum and limitations the author has given up this idea and has instead appended two notes from other sources so that the reader may get some idea about these Reports and their critical appraisal.—Author.

every week and supplied to the Government of India. The technique of labour investigation differs to some extent according as the enquiries are ad hoc or intermittent. In planning ad hoc enquiries account is to be taken of the available data on the subject so that the information may be so collected as to be comparable with previous information on the subject. Many preliminaries are specifically laid down which are not required for intermittent investigations. Lastly, intermittent enquiries are mostly conducted by the issue of questionnaire and not so much by personal investigations.

#### CENSUS AND SAMPLE METHODS

9. There are generally two ways of conducting an enquiry. The population census, for example, follows the comprehensive method of conducting enquiry at every house. The statistics of employment under the Factories Act are collected from each factory. This is the total method. On grounds of cost, enquiries on the census method are generally not feasible. Official labour enquiries are, however, sometimes possible on a 100 per cent. sample. Private individual and philanthropists cannot generally conduct enquiries from every unit. The technique of random sampling is, therefore, adopted; instead of conducting enquiries from every worker or every house, a certain percentage of workers or houses is marked out and enquiries are confined in full or on sample basis. It is highly desirable that the unit of investigation should be defined in precision and details. For example, if any enquiry is conducted into the working classes at any centre, say Cawnpore or Bombay, it is necessary to define what a 'worker' in the enquiry would mean and cover. Whether it would include mill workers only or cottage workers, shop assistants, municipal workers also? In the case of sugar industry, the following questions will arise: (a) whether the enquiry would cover all workers irrespective of the nature of work

and emoluments received or only manual workers or salaried classes; (b) whether the engineering workers would be included ; and (c) whether the clerical staff would be covered. These questions have to be determined in advance. Unless a 'worker' is defined accurately and precisely there are always dangers that the enquiry would be defective. In some of the recent investigations conducted in India, it is much to be regretted that the unit has not been well defined. By the definition of the unit is meant that all its characteristics should be clearly laid down. For example, in conducting a wage census it is necessary to define what is meant by the term 'wage' : whether it shall include the overtime, dearness allowance, house rent allowance, bonus paid and the cash equivalent of other benefits enjoyed by the workers, or whether the term wage would only be confined to nominal wage, or would include the total gross or real wage also. In family budget enquiries, the term 'head of the family' should be defined ; for example it should be explained if it shall include the permanent boarders at hotels or paying guests. So far as possible the definition of the unit should be comprehensive enough to leave no point for doubt and conjecture. As a matter of fact, the purpose and scope of the enquiries would automatically determine the definition of the unit but if there still remain some doubtful points which should be explained in full. For example, if any enquiry is conducted into the housing of industrial labour say at Bombay or Calcutta, where a very large percentage of workers normally resides in the suburbs, it would be desirable to define exactly the territorial limits of the enquiry before it is launched. When enquiries are conducted on cross-section of the community (that is to say, into the working classes in general irrespective of the nature of work or type of industry) it is customary to define the ceiling income level and territorial limits of enquiries. Housing and cost of living enquiries may be conducted on the basis of the cross-

section of the community, for example, into cities having population between one lakh and say ten lakhs. These cities can be grouped on the basis of population for purposes of enquiries. In any case, in every enquiry into housing conditions in cities it would be desirable to define a city in terms of population and territorial limits.

#### METHOD OF SAMPLING

10. After defining the purpose and scope of the enquiry and determining the unit for investigation and its characteristics, the next important point in the technique of investigation is the method of sampling. As has already been said before, labour enquiries normally cannot be conducted on a 100 per cent sample. We have to pick up only a small percentage of the total population for actual investigation. From the scientific standpoint, this sample should be so chosen that each unit has equal chance of being selected for enquiry. There should be no purposive sampling or biased selection. If every unit is given equal chance of being selected the sample so selected is most likely to be representative of the whole data. The most important point in the selection of the same, therefore, is that it should be typical.

11. (a) *Random Sampling.* The technique of random sampling is now most commonly followed in the conduct of labour and other enquiries. According to this method, of the total list of the units, every 10th, 15th, or 20th item is marked out for investigation. This is called 'nth sampling'. The proportion of the sample to the total is normally determined according to purpose and scope of enquiries. Generally the sample in social enquiries is large. The proportion of the sample to the whole data depends mostly upon the nature of enquiries, and the magnitude and composition of the unit. If an enquiry is of a very general nature a smaller sample is generally regarded as sufficient. If the field

of enquiry is very wide and if it is to be conducted into working classes which have no heterogeneous elements a smaller sample would do. If supposing an enquiry is to be conducted into the cost of living in a city where there are no marked differences in the consumption habits of different sections of community, where the method and standard of living is more or less the same a smaller sample would be quite suitable. But in a place like Bombay where there are differences in the pattern of consumption of the different persons and where there are heterogeneous elements it is necessary to take a larger sample.

12. (b) *Grand Sample*. In some of the enquiries conducted by the Labour Investigation Committee and the cost of living enquiries in Madras, a graded sample was so selected from different types of workers that the percentage of the sample was large in small groups and small in large groups. If, for example, a sample enquiry is conducted into indebtedness of industrial workers in Calcutta, a larger sample would perhaps be necessary in case of workers in jute and engineering. In arriving at over-all indebtedness of the workers in such cases, a slightly different principle of averaging shall have to be followed.

#### PAY ROLL AND TENEMENT

13. After determining the system and extent of sampling, the next process in the technique of labour investigation is the determination of the place where actual enquiries shall be conducted. Normally, two methods of selecting the actual place of enquiry are followed.

In conducting wage census generally the pay roll method has been in vogue and it has been found to be advantageous in such enquiries. According to it, the persons on the pay roll of the factories who are to be investigated, are selected on the basis of

'nth sampling'. In conducting the enquiries into indebtedness by the Labour Investigation Committee it was felt that the best method of collecting personal data or family details or information of a private nature in India the pay roll method is not very satisfactory and the workers should better be questioned in their houses. For this purpose the tenements are often sampled and workers in the sampled tenements are questioned. Housing and Family Budget Enquiries in India have been conducted on this basis.

14. Whether the pay roll or tenement basis of enquiries should be adopted depends upon a number of factors. The nature of enquiries determine the method of investigation. Employers in India generally feel the conduct of enquiries in their premises as a botheration to them and though every help and co-operation has been extended by them in the collection of data inside their factories in some of the official and non-official enquiries, the investigators generally are of opinion that except in such cases as cannot be helped enquiries into labour condition etc. should normally be conducted on the tenement basis. This system of conducting enquiries, it has been noticed, takes a lot of time and means heavier expenditure. But the data collected have been found to be more accurate in certain types of labour enquiries. The Family Budget Enquiries in India have been conducted on the tenement basis except in case of cost of living enquiries in the low paid Government employees in the United Provinces where the pay roll method was followed.

#### QUESTIONNAIRE AND PERSONAL INVESTIGATION

15. There are normally two methods of actually collecting the information from the sampled units. The issue of a schedule of questions covering the field of enquiry to the sampled units, commonly known as the questionnaire method, is followed normally in official enquiries into labour conditions.

The data collected through this method suffers from a number of defects. The sampled workers might be uneducated or at any rate not so educated as to understand the correct implications of the questions. Secondly, the information collected does not give as full a mental picture of the labour conditions as one gets by personally associating with the workers and finding their real sentiments, aspirations and difficulties. Some of the most useful and interesting data regarding labour conditions have been collected by the investigators through personal visits and studies. The data so collected has a personal touch and is graphic in nature and brings a more vivid picture before the mind's eye than the disjointed and fragmentary idea got through the issue of questionnaires. Mostly in official enquiries, where some sort of normal or legal pressure can be brought to bear on the questionee, it is possible to collect information through questionnaires; but in cases where voluntary and spontaneous enquiries are conducted, the data can best be collected through personal investigations. In this connection the choice of the right type of investigators presents difficulties. Trained, conscientious and hard working investigators who are required for labour investigation are generally difficult to be found. The qualities which must be prized most in any investigator are his sympathetic outlook on labour, his tact in collecting accurate data even from unwilling and ignorant workers and his scientific detachment. The poverty of the working classes all over the world and particularly in India where it is grim in certain places and industries, makes sometimes the investigators to identify themselves so completely with the worker that in the conduct of enquiries their own political, or economic convictions or ideologies or pet theories are imperceptibly allowed to colour the collection and representation of data. They sometimes wrongly discriminate as to what ought and what ought not to be collected. The biased data collected without scientific detachment is of no or very little statistical



value. The very purpose of an enquiry is sometimes defeated. To avoid all these defects of the personal investigation, the normal procedure adopted in a number of labour enquiries is to give very little or no scope to the whims and caprices of the investigators in the collection of the data. More often a very detailed questionnaire is so drafted that the replies to the questions can be given in 'yes' or 'no.' This is done both to simplify the collection of the data and to eliminate, as far as possible, the personal bias of the Investigators. "

16. The combining of the personal investigation with the questionnaire method has been very successful in all labour investigations, particularly in India. Recently the Labour Investigation Committee adopted this procedure, when data regarding labour conditions in different industries were collected both through personal investigations and visits of the investigators and supervisors and by the issue of questionnaire to the employers and workers and their organisations. Other labour enquiries in various provinces have been similarly conducted by official committees.

#### CHECKING AND VERIFICATION OF DATA

17. To ensure the accuracy of the data collected through the investigators or questionnaires, it has invariably been found to be advantageous, particularly in all labour enquiries, in India, to have some supervisory staff to check and verify them soon after the enquiries. There are normally some senior investigators or supervisors who do, in addition to table scrutiny, physical checking and personal verification on the spot. While every information collected is subjected to thorough scrutiny, only a small percentage of data is actually checked on the spot. The normal course adopted is first to scrutinize the data and to earmark family or apparently inconsistent information to be checked by personal visits of the

supervisor or senior investigators. The second step is to select a certain percentage of the total information for actual personal checking. The officer in charge of investigation must also undertake to recheck some portion of the checked information. Normally 10 per cent. of the data is selected on random sampling for verification. This percentage may vary from enquiry to enquiry according to the quality of data collected. The principle of triple checking and verification has been adopted in all recent labour enquiries conducted by the Labour Department of U. P. Government, and several other enquiries. Still adequate checking is wanting in a number of important investigations.

#### RESPONSIBILITY FOR CONDUCTING LABOUR ENQUIRIES

18. Labour enquiries can be conducted by an individual or organisation interested in the labour problems. In almost all countries of the world generally the philanthropists have been first to take interest in the collection of data about the working classes. Non-official investigations in India have been conducted by philanthropists or research students. Labour enquiries can also be conducted by workers or their trade unions, by the employers or their organisations and by the State. In the West certain trade unions have conducted special investigations into particular labour problems. There are definite advantages in such enquiries. The workers can very confidently part with information to their own trade unions which they would not like to give to other individual or organisations. It is a pity that so far in India no important economic, social or statistical enquiry has been conducted by trade unions. In certain cases the philanthropic, political, social and literary associations have, however, collected very useful data. Generally speaking, the enquiries conducted by private employers and their organisations have been limited in their scope and purpose and

their results have normally not been made available to the public. Such data as have been made public have really been much appreciated. But really speaking very useful data of some statistical value have been collected most scientifically by students of economics and social research in universities and colleges. Normally private enquiries though very thorough in certain cases suffer from some apparent defects. They are ordinarily limited in their scope and coverage. In addition, the question of cost involved in conducting enquiries on a large sample, normally precludes the possibilities of big enquiries throughout India by private enterprise of research students preparing for their doctorates. Again, such enquiries can be conducted on voluntary basis only and, the questionee being under no obligation to supply the information, required more often than not an elaborate technique of sampling such as is possible in official enquiries, which has not been followed in the investigations by private individuals. Generally speaking comprehensive and detailed enquiries throughout India on a wide coverage and uniform basis are not possible through private effort. It is mostly the Central and Provincial Governments which have conducted such enquiries. Truly speaking, for conducting labour enquiries on a very large scale with scientific detachment in impartial ways, the State in India may be said to be the only right agency. It has been noticed that in collecting certain data it is only the official investigator that can have access to important documents and confidential information which cannot ordinarily be made available to others. Secondly, State can alone incur huge expenditure that is sometime involved in enquiries in a vast country like India. The States in India can engage the services of trained investigators and statisticians and can get data tabulated and presented in as many ways as possible. There are besides many facilities which the State can have in the conduct of enquiries. Very reliable, useful, accurate and authentic data

can be collected without fear of prejudice through the agency of the State in the country. But there is no reason why agencies other than the State should not be encouraged. Particularly the universities could be encouraged to undertake research on labour problems.

19. One of the greatest defects of the collection of statistical data pertaining to labour in India is that with the exception of certain information that is being collected compulsorily under the labour laws, very little attempt has been made for systematic and regular collection of statistics. Of late, however, the labour offices of the Provincial Governments and the Labour Department of the Government of India have started making spasmodic attempts to gather periodically certain useful data. Therefore, so far mostly the labour enquiries have been conducted on ad hoc basis and whenever a piece of information is required it is particularly collected. The collection of statistics has been done mostly for administrative purposes. As soon as the data are collected the investigation staff is disbanded. As this is supposed to be waste of training of investigators and is also not conducive to efficiency, the Cawnpore and Bombay Labour Offices have a nucleus of permanent staff of investigators who are engaged from time to time on such enquiries as are conducted. The Government of India in the Labour Department have also got permanent staff both for analysis of data as well as for investigation. A very necessary adjunct of the sound collection of statistical data is that there should be organised statistical sections to tabulate, analyse and interpret the data collected either through ad hoc or regular periodical enquiries. To derive maximum information from different enquiries it is further necessary that the statistical sections should have expert economists and trained statisticians.

## STATUTORY AND VOLUNTARY LABOUR INVESTIGATIONS

20. Last but not the least important point in the technique of labour investigations is whether or not the data should be collected under some statutory provisions where it will be obligatory for all concerned to co-operate in the conduct of enquiries. During the course of a number of enquiries in India it was noticed that while enlightened and educated employers wholeheartedly co-operated and voluntarily assisted the investigators in the conduct of enquiries and in the collection of data, there was a certain section which regarded the enquiries as a necessary intrusion into their private business. The Indian Millowners of Bombay and Ahmedabad have all along been helpful and have given willing assistance in the conduct of several enquiries.

21. However, it is not unusual to receive complaints from the investigators regarding the non-cooperation of the employers or even in some cases of their refusal to give such information as is readily available with them. The statistical value of the data which is collected only from some of the sampled units is normally vitiated and it is, therefore, desirable that all the sampled units should submit to the enquiries. It is felt that there should be strict vow of secrecy so that the data collected from individuals or organisations should not be made public as such and should be treated as confidential.

22. During the war, the statistical and labour enquiries were conducted either on voluntary basis or under D. I. R. or the Essential Services Maintenance Ordinance. Certain Provinces have also made use of the Industrial Statistics Act of 1942. In the interest of scientific accuracy of figures it is desirable that the data should be collected under some statutory provisions and under the general direction and supervision of an All India Organisation of Central Government. Though the investigation staff should be armed with statutory powers so far as

possible efforts should ordinarily be made to collect data on voluntary basis and it is only in cases of non-cooperation that the help of the law should be sought.

#### CONCLUDING REMARKS

23. In concluding this paper on the technique of labour investigation it would be necessary to mention that the points of procedure and policy detailed above have been based partly on the experience of the actual conduct of several labour enquiries in India and partly on the literature available on the subject. The technique given in these pages applies to labour investigation in general. Those who are desirous of studying the technique in particular type of specialised labour enquiries can also make use of the information outlined in these pages but may refer for details to the literature of I. L. O., particularly to the proceedings of the Conferences of Statistical Experts and to the published reports of various official and non-official enquiries conducted from time to time in India.\*

#### APPENDIX I

The following extracts from the Preface to the various reports of the Labour Investigation Committee are given below as they throw light on the method and scope of the enquiries conducted by the Committee:—

The Tripartite Labour Conference at its meeting in September 1943 recommended the setting up of a machinery to investigate questions of wages and earnings, employment and housing, and social conditions generally, with a view to provide adequate materials on which to plan a policy of social security for labour. In pursuance of that resolution the Labour Investigation Committee was appointed by the Government of India by Resolution No. L 4012, dated the 12th February, 1944, to carry out the investigations. The Committee was instructed to extend its investigations generally to all industrial and semi-industrial labour covered by the Royal Commission on Labour in their Report, with the addition of

\*But for the valuable help given by Mr. Maya Prasad, M.A., LL.B., Research Officer (Directorate General of Resettlement and Employment, Government of India, Department of Labour, New Delhi) this paper would not have seen the light and the writer would like to acknowledge this before laying down his pen.—Author,

certain other categories. The Committee was asked by the Government of India to decide in each case the most suitable manner of conducting the enquiry. The Government however considered that the method of enquiry should not merely consist of sending out questionnaires to Government agencies and Employers and Workers' Associations, but should also comprise specific enquiries in individual concerns based on representative sampling.

2. In India, in spite of the quite comprehensive enquiries made by the Royal Commission on Labour and a few Committees appointed by the Provincial Governments there have remained large lacunae in regard to information on labour conditions in several industries. In particular, broadly speaking, the method of direct enquiry on the spot has not been adopted on a sufficiently wide scale so as to cover the entire industrial structure. Moreover, certain industries, like cotton textiles and coal mining, have received greater attention than others; and even as regards these industries, comprehensive information on an all-India basis has not been available. With a view to making up this deficiency as well as to bringing the available information upto date, the Committee decided that ad hoc surveys should be carried out in various industries so as to secure a complete picture of labour conditions prevailing in each. The following industries were selected for the purpose:—

A. Mining : (1) Coal. (2) Manganese. (3) Gold (4) Mica. (5) Iron Ore. (6) Salt.

B. Plantations : (7) Tea. (8) Coffee. (9) Rubber.

C. Factory Industry : (10) Cotton. (11) Jute. (12) Silk. (13) Woollen. (14) Mineral Oil. (15) Dockyard. (16) Engineering. (17) Cement. (18) Matches. (19) Paper. (20) Carpet Weaving. (21) Coir Matting. (22) Tanneries and Leather Goods Manufacture. (23) Potteries. (24) Printing Presses. (25) Glass. (26) Chemical and Pharmaceutical Works. (27) Shellac. (28) Bidi-making, Cigar and Cigarettes. (29) Mica Splitting (30) Sugar. (31) Cotton Ginning and Bal-ing. (32) Rice Mills.

D. Transport : (33) Transport Services (Tramways and Busses). (34) Non-gazetted Railway Staff.

E. Other types of labour : (35) Port Labour. (36) Municipal Labour. (37) Central P. W. D. (38) Rickshaw Pullers.

3. The main conception on which the ad hoc surveys have been based is that information should be collected on the spot by direct enquiry conducted with the help of the Committee's

own staff and that this information should, as far as possible, conform to the sampling methods widely adopted in such work. Owing to great variations in the character of the different industries, however, there could not be a complete uniformity in regard to the methods which had to be adopted to suit the peculiarities of particular industries and centres. For instance, while there are only a few centres and units in certain industries such as potteries, mineral oil, gold, etc., in other industries, such as textiles, engineering, transport services plantations, tanneries, bidi-making, etc., a very large number of centres and units in different Provinces (and even States) had to be covered. Moreover, some of the industries are modern industries of the large-scale type, wherein factory legislation applies more or less entirely, while others are indigenous handicrafts or small scale industries, where factory legislation is either inapplicable or partially applicable. Thus, information has not been uniformly available in advance as regards the size, location and ownership of industrial units, such as is necessary before decisions for sampling are taken. Consequently the technique of representative sampling had to be modified and supplemented so as to obtain whatever information of a reliable character was available. As far as possible, however, in all industries important centres were covered. In each of these centres units were chosen on a sample basis, but it was possible in a few centres to cover all units. The final lists of centres of survey and individual establishments were made out in the light of the impressions gathered during the course of the preliminary tour and in consultation with local authorities. The guiding principle in the selection of centres of survey was to make the survey regionally representative so as to cover differences in the conditions of labour in the same industry in different parts of the country. The selection of industrial concerns was generally based on considerations in the conditions in order of importance, of (a) size, (b) ownership (private or limited) and (c) whether subject to statutory regulation or not. In this connection, it may be stated that the Committee were greatly handicapped in sampling the units owing to the lack of complete information regarding location and number of units in the selected industries. Unfortunately there are no all-India employers' organisations in some of the organised industries, nor are the statistics maintained by the Central and Provincial Governments at all complete. Moreover, in certain unorganised industries, such as shellac, carpet-weaving, bidi-making, etc., owing to their very nature no such information could have been readily available in advance. In certain cases, therefore, owing to these difficulties as well as transport difficulties and other exigencies the sampling could not be fully adhered



to. Nevertheless, the Committee have been anxious to gather the maximum possible information in the limited time at their disposal and with a view to this, they have cast their net as wide as possible. The main instruments of the ad hoc survey were the questionnaires. These were of two kinds:— (a) the main ad hoc survey questionnaire on points likely to be common to all the industries surveyed, and (b) supplementary and special questionnaires in respect of certain industries, such as plantations, mines, railways, port labour, municipal labour, glass, shellac, mica, etc. The main questionnaire was accompanied by a tabular form for entering wage data and this was used wherever possible. In the case of certain surveys, however, such as salt, paper, cotton, woollen and jute textiles, dockyards, silk, cement and gold mining, it was possible to conduct a wage survey on a sample basis. The chief method of collection of data was by personal investigation of industrial establishments, examination of their records and contact with labour in factories and homes. The information thus collected was supplemented and checked with replies to the questionnaires received.

4. For the purpose of conducting enquiries, a sufficiently large field staff, consisting of 16 Supervisors and 45 Investigators, was appointed. Before the commencement of field work, all the Supervisors (with the exception of those working in Bengal) were called to the Committee's headquarters at Simla and given detailed instructions on the technique and scope of the enquiries to be conducted by them, the manner in which they were to submit their data and the centres and units which they were to investigate. In addition, both Supervisors and Investigators were provided with written instructions regarding the use of questionnaires, sampling of concerns (where this could not be done in advance), filling of the wage forms, etc. In particular, they were asked not only to collect information on the spot but also to draw upon every other possible source of information. In doing so, they were required to distribute copies of the questionnaires in the centres assigned to them not only amongst the sampled units but also amongst Employers' and Workers' associations in the industry and such other associations and individuals as were likely to be interested in the subject. They were also asked to get into touch with officials of Central and Provincial Governments connected with labour and obtained such facilities as might be necessary in doing their work.

5. In dealing with the ad hoc survey work, several courses were open to the Committee:—(i) the Committee, as a whole, to study each industry, (ii) the surveys to be distributed region-wise and each Member put into charge of a

region, and (iii) each Member to be entrusted with a few surveys throughout India. With a view to speedy and efficient work, the third course was actually adopted. This departure from the usual procedure of the Committee as a whole dealing with the work was necessary in view of the immensity of the task and the necessity of maintaining an all-India perspective. Moreover, it was felt that this procedure would enable Members to make a specialised study of labour conditions in individual industries in different parts of the country. It was also felt that the peculiar problems of industrial labour had more an industry-wise than a region-wise dispersion and that the procedure would be helpful to future legislation which has to take into consideration the diversified conditions of each industry. It will be seen, however, that in the Reports the factual material has been presented both on an all-India and on a regional basis.

## APPENDIX II

### SAMPLING INDIAN LABOUR CONDITIONS

#### *Sidelights and Distortions of the Rege Reports*

(From "Capital," Calcutta, June 6, 1946)

"While the spate of Rege Reports continues to flow comment may be made upon the limitations to the work undertaken by the Government of India's Labour Investigation Committee that are apparent from comparative reading of the reports in hand, which include those on the following industries:—mica, iron ore, manganese ore, shellac, gold mining, cement, paper mills, rice mills, silk, and coir. In addition to conditions in transport and miscellaneous industries, such as rickshaw-running, six mining industries, three types of plantations, including tea, and twenty three types of factories were included in the surveys undertaken by a field staff of sixteen supervisors and forty-five investigators. The most obvious limitation is that which is always inherent in sample surveying, unless it is known that any samples chosen by design, geography or chance are necessarily a cross-section of the whole. If this is not established at the outset the effects of sampling are haphazard, except within whatever conditions apply to the whole of the field represented by the sampling. Thus, mass observation, which is akin to sample surveying, has had to be developed on the basis of awareness of distinctions between what circumstances do or do not make an individual, or a series of individuals. Uniformity in given industries does not apply over the all-India field of survey tackled by the Rege Committee; and there is little hint of safeguards being adopted to justify criticisms of industries as a whole where in fact the units of such industries are known to

vary to a great extent. The surveys were hampered in the lack of employers' and workers' organisations and of statistical record ; but even with this admission and after making the appropriate allowances, they have been presented in somewhat ill-digested form, with general conclusions obviously, and even at times, naively drawn from specific instances.

As the individual surveys have appeared, their presentation has been undertaken piece meal in the form of Government Press Notes which have been reproduced in the daily newspapers under headlines which indicate that conditions in this industry are praiseworthy or in that industry, reprehensible. No standard, however, has been indicated whereby the good, bad or indifferent labour conditions 'n one industry surveyed may be measured against another. That is the second major limitation to the reports, taken as a group. Besides this it was found convenient to entrust members of the committee with a few surveys to be undertaken throughout India, and one is left in each report to surmise whether each member fixed his own standards of good and 'evil. The task of disentangling what standards were observed as criteria, is certainly invidious. Vastly different circumstances go to make up the general tolerability of work in occupations that are variable and incomparable. To some industries, such as gold mining the risk of industrial disease, in this case silicosis, applies ; to others irregular working conditions ; to some welfare undertakings are essential ; in others the worker has his own way of regarding his welfare. Wage rates must be evaluated in relation to all the other qualifications and to costs of living, which must again be related to the fact that in certain industries 30 per cent of wages are spent on drink and that in some industries, notably cement and paper milling, a considerable proportion of the labour is housed in two-room tenements. The conclusions of the reports relating as they do to individual industries, are not only unsatisfactory, but sometimes unquestionably misleading. For instance, the impression that working conditions in the mica industry are out of control is contrary to facts which could be differently, though perhaps not without bias, constructed into a case leading to opposite conclusions.

What emerges from the reports is a series of sidelights on working conditions in India, not a fairly constructed case for or against conditions in specific industries ; still less is a true picture of Indian Industry as a whole revealed, although commenting on three of the early reports a daily contemporary declared that "a disturbing picture of what is meant by Asiatic standards of living" was given. There may not be European, still less American, standards, but neither the

technical progress, the mental, approach to work, nor the residential standards of labour are comparable ; both employee and employer is less organised with his fellows, and is less appreciative of the economic factor and policies which fundamentally affect wage rates and conditions. The beginning of comparability in such living standards will derive not from additions to legislation which the various reports seem to agree is unobserved and difficult to enforce, but by authority's taking steps which will set targets for labour welfare and giving financial encouragement to their being reached and maintained. A beginning on these lines has been made, and the Rege Reports show, if they show anything which can be translated into effective action, that encouragement of industries which have the prospect of expansion and increasing their competitiveness in the world has begun to show results and will yield further dividends in general upgrading conditions and providing amenities.

## CHAPTER XV

# INDUSTRIAL WELFARE IN POST-WAR INDIA

By *E. J. S. Ram*

Since the end of the World War II, considerable attention has been paid in this country, as in others, to the problem of planned economic progress, in official as well as non-official quarters. But it is to be regretted that in all such deliberations, little or no thought has been given to the welfare of the industrial workers who constitute the backbone of the industries. There can be no two opinions that industrial workers in India have made a valuable contribution towards the drive for victory in their efforts for production under most trying and difficult war-time circumstances. The Government and the people owe a deep debt of gratitude to the workers who had to suffer considerably under war-time regulations and measures to keep up production at its maximum level. There can be no better means of showing this gratitude than by devising and putting through wide and generous schemes of welfare aimed at improving the physical, material and moral conditions of our industrial workers.

2. Let us first examine the growth and development of industrial welfare in India before we suggest ways and means of improving the same in post-war India. The origin of welfare work in India may be traced to the war of 1914-1918. Till then, welfare of the worker was hardly thought of owing to the ignorance and illiteracy of the worker himself, the short-sightedness of the employer, the carelessness of the State and the indifference of the public. But since the first World War, it has been expanding steadily, purely on a voluntary basis, without any statutory obligations, despite a serious

economic depression. The Government as well as industrialists were prompted to take active interest in welfare work, to some extent because of the moral pressure brought to bear on them by the work of the International Labour Office, but more due to the discontent and industrial unrest that prevailed in the country. Though welfare work in India is still considerably below the standards set up in the United Kingdom, it has come to stay, and it is bound to make rapid progress in the years to come, specially in view of the post-war reconstruction schemes of Government and industrialists.

3. As a rule, trade unions view all labour welfare schemes and programmes with suspicion and even with antagonism. Their attitude in this respect is not baseless. Indian labour has seen social work develop out of the womb of feudal charity. It has seen the rising class of merchants and industrialists joining hands with the aristocracy, as superiors throwing crumbs to their inferiors, in a patronizing spirit. The "friendly visitors," recruited largely from the well-to-do classes, increased its suspicions. But now their replacement by plain and professionally trained social welfare workers has been helping to break the barriers that had for long existed between labour and capital; and social work in India is coming to be recognized as labour's loyal and most valuable ally in its fight for better conditions.

4. Welfare work for labour employed in Indian industries has, since the advent of Provincial Autonomy, been taken over by the Government. Pioneering work in this direction was done by the great and zealous friend of Indian Labour, Mr. Gulzarilal Nanda, the Secretary of the Textile Labour Association, Ahmedabad since 1921, and now the Honourable Minister for Labour in the Congress Ministry in the Province of Bombay. He knew that employers, as a whole, were doing little or nothing in the field of labour welfare, and that no amount of persuasion

would yield tangible results. He also knew that legislation to enforce welfare measures would not create that personal enthusiasm which is so vital to the success of any welfare scheme that might be launched. He persuaded his cabinet to set up in April, 1939, a special department, known as the Labour Welfare Department, which is entrusted with the work of providing suitable social amenities to labour in general and industrial labour in particular in cities and towns of industrial importance in the Province through the medium of Labour Welfare Centres. To-day the Department conducts three 'A' type, eight 'C' type and four 'D' type Labour Welfare Centres in Bombay, one 'A' type and four 'C' type Centres in Ahmedabad, five 'C' type Centres in Sholapur and one 'C' type Centre at Hubli. A new 'A' type Centre has been erected at Sholapur but owing to non-availability of materials it could not be electrified and supplied with an adequate quantity of pipe laid water. This Centre has, however, started functioning. An 'A' type Labour Welfare Centre is housed in a large Government building or pavilion built mainly in the form of a theatre and with a large playground attached to it. The 'C' type Centre is housed in hired premises and provides no facilities for outdoor recreation. The 'D' type Centre provides only for outdoor sports ; the only building construction it has is a small hut for storing sports equipment. The 'B' type Centre is a replica of an 'A' type centre but on a very smaller scale. No 'B' type Centres have yet been opened in any city or town in the Province of Bombay.

All 'A' type and 'C' type Labour Welfare Centres are provided with well-equipped libraries and reading rooms which are open from 8.30 to 11.30 a. m. and from 4.30 to 8.30 p. m. In addition to the stationary libraries at the Centres, there are a number of circulating library posts attached to each Centre. The total number of such posts which have so far been opened is 140. Each post

has a box or cupboard containing 50 to 100 books and these boxes or cupboards are placed in the charge of enthusiastic workers or in temples, small social clubs, factories or with *bhajan mandalies*. A small committee of five or six workers is attached to each post. Its work is purely advisory. For Sholapur and Hubli four full-time librarians have been appointed to run the circulating library posts established at these places. In Bombay and Ahmedabad the work of issuing books is done by the persons who hold the posts in an honorary capacity. Each circulating library post has from 100 to 200 members and the staff attached to the Labour Welfare Centres covering the particular locality exercises supervisory control. The books in each box are changed at frequent intervals or as soon as they have been read by a majority of the members.

All the 'A' type and the 'C' type Labour Welfare Centres are provided with considerable equipment for indoor games such as chess, draughts, carrom, snakes and ladders and a number of other indoor games. The most popular indoor pastime is carrom. All the Centres are open from 7.0 to 11.30 a.m. for men and boys; from 4.30 to 6.30 p.m. for boys; and from 6.30 to 8.30 p.m. for adult men, whilst women's activities are conducted at all the Centres between 1.0 and 4.30 p.m. on all week days excluding Sundays. These activities include literacy classes, sewing and embroidery classes and the organization of round games. At all the 'A' type Centres a full-time Nursery School is conducted from 9.30 a.m. to 4.30 p.m. Children from the ages of three to six are admitted in these schools. On arriving at the schools the children are bathed and dressed in clean uniforms. Teaching by the Montessori method is given. The children are allowed to be taken away to their homes between 1.0 and 2.0 p.m. for feeding. Well-equipped children's playgrounds with swings, see-saws, merry-go-rounds, giant slides, etc., have been established at all



the 'A' type Centres. These are open from 8.0 to 11.30 a.m. and again from 4.0 to 7.0 p.m. Each children's playground is in charge of a specially appointed full-time overseer and a part-time teacher. Outdoor sports at the 'A' type and the 'D' type Centres consist of hockey, football, volleyball, basketball, cricket and hututu. Inter Labour Welfare Centre competitions are periodically organized in outdoor games, indoor games, sports, wrestling, tug-of-war, etc.

The Labour Welfare Department has its own cinema equipment with a number of films at Bombay and Ahmedabad. This equipment is taken by turns to all the 'A' type Centres and to the 'C' type Centres where space permits for pictures to be shown. Separate shows are organized for children and adults. Occasionally dramas are organized at all the 'A' type Centres and at the larger of the 'C' type Centres. Variety entertainments, musical concerts and socials for women are organized at all Centres at frequent intervals. Special programmes consisting of magic shows, physical culture demonstrations, mimicry, ballad singing, etc., are also arranged from time to time. Every Centre has been provided with a radio set which is switched on for interesting programme of the All India Radio Station.

The above are normal activities at all the Labour Welfare Centres in the Bombay Province. In order to give medical relief to the working classes residing roundabout each Centre an Ayurvedic and Nature Cure Dispensary has been established at one 'A' type Centre in Bombay; an Homoeopathic and Biochemic Dispensary at the 'A' type Centre at Ahmedabad; and Allopathic Dispensaries at all the 'C' type Centres at Sholapur. In addition, a specially equipped 'C' type Labour Welfare Centre has been opened for the benefit of the handloom workers at Bhavanarshipeth in Sholapur where in addition to the normal activi-

ties of a 'C' type Centre, provision has also been made for conducting a Nursery School and a Creche. The average attendance at the Creche per day consists of approximately 15 babies who are carefully nursed, fed and looked after by a full-time Creche Nurse who has had two years' previous experience of this work in a mill Creche and a full-time Ayah who assists the Creche Nurse in bathing, feeding and maintaining general cleanliness of the equipment and premises of the Creche. °

The staff at each 'C' type Centre consists of one full-time Labour Welfare Organizer, one part-time Lady Worker who attends in the afternoons for women's activities, two part-time workers one of whom attends in the morning and the other in the evenings; and a full-time cleaner. The staff at the 'A' type Centres is very much larger. There is a full-time Nursery School Teacher, a full-time peon and a full-time cleaner. At each of the 'A' type Centres in Bombay and at Ahmedabad there is also a gymnasium building attached to the main pavilion and also separate shower-baths for men and women. Each gymnasium building is provided with a properly made wrestling pit and adequate bathing arrangements. Each of these 'A' type Centres has a number of part-time workers for different kinds of outdoor sports and gymnastics and for indoor games.

In Ahmedabad a fully equipped and well-staffed engineering workshop for imparting training in turning, fitting, smithy and moulding, tailoring, carpentry and painting to adult men either in or out of employment as alternative occupations and to young apprentices, has also been established. A well qualified Superintendent is in charge of this workshop and there are special instructors for each trade.

A provision of rupees one lakh was made in 1939 by Government for providing amenities to industrial workers. Today the Labour Welfare Department

is spending over two and a half lakhs of rupees per annum on welfare work.

5. The lead given in the organization of welfare work by the Bombay Government has been successively taken up by the Governments of the United Provinces, Bengal, Sind, and the Central Provinces. The Central Government too have recognized the value and importance of governmental effort in the field of Labour welfare and in May, 1942, they appointed Mr. R. S. Nimbkar, the prominent labour leader of Bombay, the Central Adviser on Labour Welfare to the Government of India. Eight Assistant Labour Welfare Officers in different Provinces were appointed under the Central Adviser, who, acting upon the advice of Mr. Nimbkar, have launched wide schemes of Labour Welfare in all Government Ordnance, Ammunition and War Factories.

6. Recently Labour Welfare Officers have been appointed by the Docks Authorities and the Port Trusts in the four major ports of India, at Bombay, Karachi, Calcutta and Madras, to look after the social and general well-being of the dock labourers and the stevedore workers. A Welfare Committee of Merchant Seamen at Bombay has also been appointed abolishing the two Committees viz. the Welfare Committee for British and Allied Seaman and the Welfare Committee for Indian Seamen for looking after and advising on the general health and amenities to seamen. It is composed of a Chairman nominated by the Central Government and members consisting of a representative of the Provincial Government, the Shipping Master, a representative of British Shipping Companies, a representative of Indian Shipping Companies, two representatives of Seamen and other workers, a representative of Maritime Union of India, a representative of the Voluntary Societies dealing with Indian Seamen, a representative of the Voluntary Societies dealing with British Seamen, two public men and the Principal Seamen's Welfare Officer.

7. With a view to meet expenditure in connection with measures which, in the opinion of the Government of India, are necessary or expedient to promote the welfare of labour employed in the coal mines, the Coal Mines Labour Welfare Fund Ordinance, 1944, was promulgated on the 31st January, 1944. By virtue of this Ordinance, a Coal Mines Labour Welfare Fund has been created, which will derive its revenue from a cess or a duty of excise at such rate, not less than one anna and not more than four annas per ton, as may be fixed by the Government. The principal objects for which this Fund will be utilized are defined in the Ordinance as follows:—(i) the improvement of standards of living including housing and nutrition, the amelioration of social conditions and the provision of recreational facilities for the benefit of the labour employed in the coal mining industry; (ii) the provision of transport to and from work; (iii) the provision of improvement of supply of water; iv the provision of improvement of educational facilities; and (v) the improvement of public health and sanitation, the prevention of diseases, the provision of medical facilities, and the improvement of existing medical facilities. The Ordinance contemplates the appointment of Welfare Administrators, Inspectors and other Officers to supervise or carry out the activities financed from the Fund. Both the cost of administration of the Fund and the salaries and allowances of the Officers appointed in connection therewith are to be defrayed from the Fund itself. An Advisory Committee consisting of an equal number of members representing colliery owners and workmen employed in the coal mining industry, with an Officer of the Central Government as Chairman, is being constituted. At least one member of this Advisory Committee is to be a woman. The functions of the Committee will be to advise the Central Government on all matters arising out of the administration of the Ordinance and the Fund,

8. It may be seen from what has been stated above that welfare work in India is still in its infancy. All that has been done so far is but a drop in the ocean, because the vast majority of employers and Provincial Governments in India have no welfare schemes of any kind at all for their industrial workers. Improvement in all the spheres of welfare work will have to be made, partly by the worker himself, partly by the employer and partly by the State, to bring Indian labour on par with the industrial workers in foreign countries.

9. In the light of welfare work in India, we are inclined to make the following suggestions which may be accepted for practical action in post war India:—

(i) The idea of fostering “welfare outside the factory” in addition to “welfare inside the factory” should become an objective of government policy in all Provinces and States. A ‘Welfare Department’ in each Province and State should be set up which should mainly be responsible for the organization and development of welfare activities and facilities for industrial workers outside factories. The Honourable Labour Member should consider the appointment of a Factory and Welfare Advisory Board to advise him on questions of health, safety and welfare arrangements inside factories, as well as on housing, feeding, transport, recreation and other facilities which have to be provided outside factories for thousands of workers employed in different factories all over the country.

(ii) It should be constantly urged by the Factory Inspectorate that every employer should seek to surround the worker with the best material environment which his special circumstances and the conditions of his industry render practicable. Factory inspectors should impress upon the management that the handling of the operatives and the provision of suitable working conditions for them

are much more important than the factory or its machinery. The factory must not only have economic considerations, but must also see to the care and convenience of its operatives, because one-third of an operative's life is to be spent within the factory. Factory inspectors should constantly urge in various ways the importance of Personnel Management and Supervision of the welfare of factory workers which may include any of the following activities:

- (a) Initial selection, medical inspection and initiation schemes.
- (b) Care for comfort and health in work by attention to lighting, heating, ventilation, sanitation, seating, canteens, cloakrooms, first aid, dentistry, chiropody, assistance during sickness, holidays and endeavours to avoid over-time and short-time.
- (c) Educational assistance, both technical and non-technical, linking up with and in extension of that provided by Local Authorities (and backed by a promotion scheme where possible), and also the wider development which can be obtained through Works Committees, Thrift Schemes, Suggestions Committees.
- (d) Recreational and social activities which provide healthy relaxation and help, by a committee system to develop initiative through experience gained in managing other people. The aim should be to make these self-supporting so far as running expenses are concerned, and not competitive with other local activities.
- (e) The development of personality through such activities as hobbies, exhibitions, magazines, and dramatic and musical societies.
- (f) The provision of physical training, sports and camps where desirable and in demand.
- (g) Provision of co-partnership and other profit-sharing schemes, pension and unemployment funds, and where necessary, housing accommodation.

It should however be necessary for the efficient administration and organization of the above activities to engage specialists as Personnel Managers and Welfare Supervisors and that all concerned in the

factory realize that there must be mutual co-operation and mutual acceptance of responsibilities. Special training courses for Welfare Supervisors should be organized and conducted with the help and assistance of the Tata Institute of Social Sciences, Bombay, so as to provide good and efficient leadership to the industry for the organization and administration of welfare activities.

(iii) It should be made obligatory on employers of more than 250 workers to set up a canteen where meals may be purchased by the workers inside the factory or in the immediate vicinity.

(iv) Efforts should be made to bring down the rate of accidents through better lighting, strict instructions to the management to teach safety measures to inexperienced workers, fencing of dangerous machinery, colouring of mobile and immobile parts of machinery, and issue of instructions to workers in safety through exhibition of posters, charts, films, slides, etc. The appointment of a "Safety Officer" in a factory is a novel feature of the present-day British industry, which has contributed very largely towards a reduction of all avoidable accidents in factories. It is essential, if accidents are to be reduced in our factories too, that we also appoint specially qualified "Safety Officers" to instruct the workers in the proper use of machinery and to cultivate among them the "Safety First" habit.

(v) The local development of welfare work outside factories should be entrusted to a staff of well-experienced and qualified Welfare Officers who should work in close collaboration with 'Welfare Advisory Panels' consisting of local representatives of voluntary and other representative organizations. The main duties of these officers should be to try to secure through appropriate authorities that the work-people—especially those engaged in important production work—have satisfactory accommodation; that there are satisfactory arrangements for them to get

meals and other necessities and to travel to and from their work; that there is suitable provision for recreation; and that, where required, provision is made for the care of young children of mothers working in factories.

(vi) The special needs of children of industrial workers for their enjoyment and amusement should not be overlooked, and specially equipped children's play centres, consisting of swings, see-saws, giant slides, ocean waves and merry-go-rounds should be set up in labour localities. Voluntary helpers may be recruited to assist in the organization of these Play Centres.

(vii) The shopping problems of industrial workers, particularly married women, should be solved as far as possible by calling meetings of representatives of all the interests concerned in areas where difficulties arise. If possible, orders for articles required by each woman worker may be placed in advance with the shopkeepers and articles kept ready to be taken away merely by calling at the shops instead of queuing and waiting for them for long hours. Wherever feasible, arrangements should be made with employers to release the woman worker for an hour or so for shopping purposes during working hours.

(viii) Industrial workers living away from home and falling sick should be specially looked after. Employers should be asked to ensure that workers who fall sick are fully aware of the facilities available for their care and treatment, and that the workers' relatives are communicated with in case of serious illness or special emergency.

(ix) A special scheme for the establishment of 'Rest Houses' should be introduced to meet the needs of workers requiring rest after the strain of continuous work but not hospital or medical treatment. The rest break would serve as a preventive



measure to avoid illness and breakdown for the industrial worker suffering from the effects of accumulated fatigue. Experience goes to show that very often a long period of ill-health has been caused by workpeople carrying on work too long and going to their medical practitioner too late. If everyone in industry takes a lively interest in the problem of Rest Break, it will result in earlier treatment and probably avoid lost time altogether.

(x) The State, the employers and the public authorities should be asked to collaborate in the task of organizing camps and holiday centres for industrial workers. Holiday Camps and Centres should be set up amidst ideal surroundings for providing holiday makers fresh air, rest, recreation and companionship. Games and expeditions should be arranged at these Centres and facilities should be made available for swimming, indoor and outdoor recreation, boating, concerts, dancing, exhibitions, pageants, bands, displays, parades, lectures, debates and discussions, etc. It should be impressed upon the workers and the employers that holidays can only be justified if those who take them return fitter than before for their jobs.

(xi) Special Rehabilitation Centres should be set up for the industrial workers where adequate provision should be made for psychotherapy, medicotherapy and occupational therapy. Through the medium of these Rehabilitation Centres a new purpose of social well-being of the industrial workers will be served in the restoration of the injured worker to health, to confidence and in many cases to his own job.

(xii) As an average Indian worker is illiterate, it is no use blaming him for his degradation, indifference and backwardness. He must be educated first, and induced to lead a better, healthier and richer life. Dramatic and musical clubs should be organized to stimulate his aesthetic interests. Labour in the

United Kingdom is endowed with talents of a varied nature and Indian labour does not lack these potentialities in any respect.

(xiii) As in the United Kingdom, so also in India, Employment Exchange Service, Resettlement Advice Service and Joint Negotiations Machinery should be set up, because no amount of welfare work will compensate for low wages, dissatisfied labour and economic insecurity.

(xiv) Each major factory with 500 operatives should be made to engage the services of Safety Officers, Welfare Supervisors and Personnel Managers.

10. The Government of India have realized their responsibilities and are gradually adopting the Conventions prescribed by the International Labour Conference and bringing about legislation so as to be in line with the Western democracies. The theory of the greatest happiness of the greatest numbers applied to this problem would mean that the Government should undertake labour welfare work as one of their leading functions because workers, whether industrial or agricultural, constitute more than nine-tenths of the population of India. But legislation alone is not the sole remedy for the salvation of the workers. In the words of Mr. Butler, "what is required is the realization on the part of the State, the employers and the public, that human rights of the workers to live (and not merely to exist in hovels) have a claim upon society and that if this claim is not conceded in time, we will have neither justice nor social peace, and the alternative will be revolution instead of evolution."

11. Immediately on the assumption of office by the present Congress Ministry a statement was issued outlining the labour policy of the Government of Bombay. In order to give effect to the policy outlined in the statement issued, schemes have been

prepared by the Labour Welfare Department and submitted to Government for approval. There are thirty four schemes in all—seven of these were previously sanctioned by Government before the assumption of office by the Congress Ministry. These relate to the completion of the (i) 'A' type Labour Welfare Centre at Sholapur; (ii) additions and alterations to the Recreation Centre at Ahmedabad; (iii) expansion of cinema activities of the Labour Welfare Department; (iv) establishment of 15 additional 'C' type centres, six each at Bombay city and Ahmedabad and three at Sholapur; (v) establishment of one 'B' type Centre at Broach, Amalner, Viramgaum, Surat, Jalgaon, Dhulia, Nadiad and Hubli and three such Centres in Bombay; (vi) opening of two additional 'A' type Centres one at Ahmedabad and other at Sholapur; and (vii) the construction of a Swimming Pool at Worli. The schemes prepared during the regime of the Congress Ministry consist of (i) Employment Bureaux, (ii) housing of industrial workers, (iii) universal literacy among workers, (iv) anti-tuberculosis sanatoria for industrial workers, (v) periodic medical examination of workers, (vi) post-employment training, (vii) Government Industrial Training Workshops in Bombay, Ahmedabad and Sholapur, (viii) adult education (General), (ix) adult education (technical), (x) Workers' School for Citizenship and Trade Unionism, (xi) Institute of Industrial Hygiene, Psychology and Welfare, (xii) co-operative banking, credit stores, canteens and housing, (xiii) scholarships for higher studies for the children of industrial workers, (xiv) pre-employment training, (xv) charkha classes, (xvi) holiday homes, (xvii) Convalescent Homes, (xviii) grant-in-aid to social institutions including wrestling pits, (xix) opening more Reading Rooms and Circulating Library Posts, (xx) production of films, (xxi) Industrial Welfare Museums—one each at Bombay, Ahmedabad and Sholapur, (xxii) welfare work for agricultural labour, (xxiii) supervision of welfare

work in factories, (xxiv) Recreation Parks, (xxv) Workers' Recreation Pavilion in Bombay, (xxvi) Four 'B' type Labour Welfare Centres one each at Poona, Chalisgaon, Gadag and Gokak, and (xxvii) the construction of a Creche Building attached to the 'A' type Labour Welfare Centre at Sholapur. When all these schemes are finally approved and given effect to it is expected that the present work of the Labour Welfare Department will be transformed almost beyond recognition.

12. Fortunately for us we can see signs which are favourable to the evolution of a better economic order. The rising tide of mass consciousness, the growing sympathy of the progressive employers for labour, and the increasing recognition of the rights of workers by the State, are all factors which are bound to bring about better relationship between labour and capital. The exigencies of the present crisis, the steep rise in prices of essential commodities, and rapidly changing political and economic conditions—all demand, in unequivocal terms, the provision of suitable social amenities for the workers in a concrete form, to enable them to live a richer and more abundant life as members of a civilised and just society. It is to be hoped that most of the progressive measures adopted to promote the economic and social advancement of labour during the war in India, would become a permanent feature of the worker's life. In times of depression, there may be a tendency for employers to cut down welfare expenditure and it is here that Government should play its part by insisting that the maintenance of the worker in comfort and in health is a necessary and desirable objective of social and industrial policy.

## CHAPTER XVI

### EMPLOYMENT EXCHANGES IN INDIA

By N. Swarup

#### EMPLOYMENT EXCHANGES IN FOREIGN COUNTRIES

Employment Exchanges were, for the first time, established in our country in 1944. Much, before this date, however, they had already been set up in various countries of the world where a nationwide machinery of such bodies is already functioning. In these countries, the need for Exchanges was felt at quite an early stage of industrial development. At first it was met by private agencies. These were either run on profit-making basis by commercial concerns or on public utility lines by associations like Y. M. C. A. State-controlled Exchanges were a later development. New Zealand was first to start them in 1891.

In Germany though the first Exchange was started in Berlin in 1883, the nationalisation of the system began as part of demobilization plans in December 1918, after the Great War I. On 16th July 1927, a National Institute for Labour Exchanges and Employment Insurance was set up. This Institute had its headquarters in the Ministry of Labour in Berlin. Strictly speaking, however, this was not a Government department nor were its officers Government servants. It was a self governing institute under the control of a commission representing equally employers, workers and public authorities with the President of the Institute as its chairman.

France too started with Exchanges of the communes. Departmental Exchanges replaced them during the war of 1914-18. These have now been

co-ordinated into a national system through Regional Clearing Houses and a Central Exchange under the Ministry of Labour. The distinguishing feature of the French Exchanges is that they are highly sectionalised by vocations. Each industrial section pursues a policy which has been arrived at after consultation with the representative bodies of workers and employers.

In Russia, the staff offices were established in 1931 in the terms of economic plan. They function as Employment Offices. The system is co-ordinated with the scheme of State Socialism. The use of Exchanges is compulsory upon all the employers as against the voluntary systems of Great Britain and Germany.

U.S. A. started with private fee-charging employment agencies. In 1886 it was enacted that Exchanges will have to take licences. In 1904 a Commission to grant licences was appointed. Federal control over Employment Exchanges actually began in 1913 with the creation of the Department of Labour. Yet during the World War I private agencies did good business and earned huge profits. State control tightened after 1918. Till 1931, however, the activities of these Exchanges were confined to farm labour and ex-servicemen. In 1931 the famous Wagner Bill providing for a supervisory organisation on a nation-wide scale was passed by the Congress but was vetoed by President Hoover. Even today in U.S.A., Employment Exchanges run by private bodies are as common, if not more, as those organised by municipalities or the Federal Government.

Coming to Great Britain on whose model Indian Exchanges have been patterned, the first Exchange was started at Egham in 1885. At that time no fee was charged but a contribution was solicited from those who were placed in employment through it. In 1902 Labour Bureaux (London) Act was pass-

ed. It gave authority to local bodies to establish such bureaux. Eleven bureaux were accordingly established. In 1905 Unemployment Workmen's Act was passed. Thereunder Distress Committees were set up, who in turn established Employment Exchanges. Twenty-five such Exchanges were started in London area. These Exchanges were severely criticised. In 1909 Royal Commission on Poor Laws and Relief examined the institution of Exchanges. They approved the idea of Exchanges but pointed out the defects of those thus far established. On their recommendations the first real Employment Exchanges run by Government through the Board of Trade were set up in February 1910. They were 61 in number. The country was divided into 11 divisions, later called regions. A central office was established in London. Within one month, the number had to be raised to 214. After the passing of the National Insurance Act (1911), the number rose to 414 by July 1912. These Exchanges rendered valuable service in the demobilisation period. After the Great War I, their number rose to 392 Exchanges and 1,019 Branch Offices. In 1919 a committee was appointed to enquire into the working of these Exchanges. The committee recommended that these Exchanges be adopted on a national basis and that the national insurance scheme be administered through them. Accordingly in 1920, on the passing of Unemployment Insurance Act, 12 million workers were insured through the Exchange organisation. On 31-12-38, before the World War II, there were in Great Britain 1,620 offices in all under employment service organisation.

#### THE PROBLEM OF EXCHANGES IN INDIA BEFORE 1939

The importance of Employment Agencies run by the State was universally recognised in 1919 at the Washington International Labour Conference at which the following Articles were adopted :

Each member which ratified this Convention shall establish a system of free public employment agencies under the

control of a central authority. Committees which shall include representatives of employers and of workers shall be appointed to advise on matters concerning the carrying on of these agencies

Where both public and private free employment agencies exist steps will be taken to co-ordinate the operations of such agencies on a national scale.

The operations of the various national systems shall be coordinated by the International Labour Office in agreement with the countries concerned.

India ratified this Unemployment Convention in 1921. But the Royal Commission on Labour in India (1931) was of opinion that in view of the industrial conditions of India Employment Exchanges could be of little use either in solving the unemployment problem or in maintaining correct statistics of the unemployed. The Commission said on page 35 of its Report :

In no centre in India, so far as we are aware is it possible to say how many industrial workers are unable to secure employment; information is equally lacking regarding the number of such workers who may be in the villages awaiting the return of better times. It has been suggested that, apart from any other advantages, the establishment of Employment Bureaux would provide means for measuring the extent of the trouble. We cannot accept this view, for we do not believe that a Bureau, which was unable to offer any definite relief to persons genuinely unemployed, would provide any index to their numbers. Even if bureaux could offer prospects of employment to a proportion, it would be impossible for them to maintain accurate registers of the unemployed. As regards the other services which State Bureaux could render, it is scarcely necessary to point out that they could not affect the volume of employment and could only increase the mobility of labour. In the present position of Indian industry, it is most unlikely that they would be in a position to offer an appreciable number of vacancies unless employers were compelled to recruit through them. Such compulsion is possible in special cases, such as shipping, but so far as industry generally is concerned, we do not regard it as practicable under present conditions. The maintenance by employers in a single industry and centre of a joint bureaux for recruitment offers less practical difficulties. Such bureaux, not in the industrial centres but in the areas from which the workers are drawn, might have served a useful purpose in the past.



We do not think that it would be wise to start them at a time when most factory owners can find sufficient labour at the gates

Against these recommendations of the Royal Commission, Ahmedabad Millowners Association prepared a Labour Exchange scheme in 1936, wherein it clearly emphasised the need for and the advantages of Employment Exchanges. The object of a Labour Exchange, in its opinion, generally is to adjust the supply and the demand of labour by creating a machinery through which the employer and the employee would come into contact and suitable and deserving persons obtained for existing vacancies at right time. An Exchange also eliminates the evil of bribery. A third use is to make statistics of unemployment available which serve as an economic barometer indicating the ups and downs of industrial fluctuations.

In 1938 the Cawnpore Labour Enquiry Committee reported in para 139: "We strongly recommend the establishment of a Labour Exchange. Both the employers and the workers have advocated it. We believe that if vacancies on the substitute list are filled by reference to the Labour Exchange, a very important step will have been taken towards the elimination of bribery and corruption associated with recruitment." The Committee considered that in the absence of whole-hearted cooperation between the Employers' and Workers' Organization, which in itself should have gone a long way towards removing corruption and other evils, Labour Exchanges should be under the supervision of and controlled by Government while keeping close liaison and frequent contact with Employers' Association and Workers' Union.

In 1940, the trend of the evidence given before the Textile Labour Enquiry Committee, Bombay, was generally in favour of the establishment of Public

Exchanges as an important means of removing the defects in the existing method of recruitment of labour. The Bombay Provincial Trade Union Congress, the Textile Labour Association of Ahmedabad, the Sholapur Labour Union, the Government Labour Officer of Bombay, the Director of Industries of Bombay, all advocated a Government-sponsored organization of Labour Exchanges. Mr. Ambalal Serabhai went even to the extent of suggesting that "recruitment through an Exchange conducted by Government should be made compulsory and that on the executive committee of that Exchange employers and employees, among others, should be represented". Bombay Millowners Association, however, rang a discordant note. They were doubtful about the need for and the success of a Labour Exchange. They argued that the Exchanges were not needed as the Badli Control System was satisfactorily driving out bribery and corruption in the recruitment of labour to the Textile Mills of Bombay. The Badli Control System, however, had its own limitations. It necessitated a certain amount of unemployment because Badlis holding cards in one mill could not secure employment in other mills even when the vacancies might be there. The other argument of the Association was that the Exchanges will not be successful as there will be delay in getting men through them as against selecting *badlies* at the gate. This difficulty, as pointed out by the Textile Committee, was not insurmountable and could be met by having branches of Exchanges near the mills. In conclusion the Committee recommended that Employment Exchanges should be organized by Government in large industrial centres, like Bombay, Ahmedabad and Sholapur and that Exchanges should organise the labour supply for all industries including Government factories and workshops. The Committee further recommended :

As the Unemployment Convention passed by the International Labour Conference stipulates and as the experience

of other countries shows, equal participation by representatives of employers and employees in the management of the Employment Exchanges is essential for their success. We, therefore, recommend that a local committee on which both the employers and the workers are represented should be associated with each of the Exchanges to be established in Bombay, Ahmedabad and Sholapur.

The Bihar Labour Enquiry Committee while reporting in 1940 recommended that Employment Exchanges should be given a trial even though there will be difficulties in the beginning and a considerable amount of propaganda will be necessary. They also tried to clarify one or two general misconceptions about Employment Exchanges :

In their replies to our questionnaire as well as in oral evidence before us many labour unions and a few employers have suggested that the State should establish Employment Exchanges in suitable areas to regulate recruitment. We are constrained to think that there is some misconception in their minds about the function of the Employment Exchanges. Employment Exchange at any rate as it exists in England is an agency maintained by the State for joining together the workers seeking an employer and the employer seeking a worker. Employers notify to it the jobs which are available, the qualifications required and the wages offered for them and the workers get themselves registered with it supplying the necessary particulars. There is neither obligation on the part of the worker to register himself nor any on the part of the employer to engage the worker through the Exchange. The Exchange therefore does not control or regulate employment. It acts as a link between the prospective worker and the prospective employer. It facilitates the adjustment of the supply of labour to the demand for it.

#### ESTABLISHMENT OF FIRST EXCHANGES IN INDIA

The exacting needs of the World War II necessitated the promulgation of the National Services (Technical Personnel) Ordinance. This was passed with a view to control and mobilise technical manpower for the successful prosecution of the war. National Service Labour Tribunals were established under the above mentioned Ordinance. They were given statutory powers to fix wages and terms of service and to compel an employer to give up an

employee and an employee to take up an employment in the National Services. As the war progressed it was felt necessary to look ahead and to build an employment organization and voluntary placement of the skilled and semi-skilled personnel who would be thrown out of employment on the termination of hostilities. Early in 1944 Employment Exchanges were accordingly established at Calcutta, Bombay, Ahmedabad, Madras, Cawnpore, Lahore, Nagpur, Karachi, Jamshedpur and Delhi. They were for the time being placed under the administrative control of the Chaitman, National Service Labour Tribunal, in the provinces.

These Exchanges were managed by a manager who was appointed by the tribunal and who was generally the Tribunal's Technical Inspector. The manager had sufficient technical qualifications or experience to enable him to appreciate the requirements of industry in general and the special needs of the locality in particular. It was his duty to maintain close contact with employers and local bodies and to assist them in securing the technical personnel they required. It was also his duty to deal sympathetically and tactfully with the technical personnel who visited the Exchanges to register themselves for employment. Where the work of the Exchange justified it, a manager was assisted by a Trade Supervisor who carried out trade tests in the main engineering trades.

These Exchanges could deal with any person, unemployed or employed, falling within the definition of "technical personnel" as given in sec. 2 of the National Service (Technical Personnel) Ordinance, 1940. The commoner engineering trades e.g. fitters, turners, mechanics etc., were covered by this legislation. But as a rule they were not to concern themselves with persons who were in receipt of less than Re. 1. 8 as. per day in the cities of Bombay

and Calcutta and their suburbs and less than Re. 1 per day in other areas

To each Employment Exchange was attached a local Employment Committee of 2 representatives of employers, 2 representatives of labour, 1 representative of the Provincial Government and 1 representative of General Headquarters (India). The chairman of the Committee was elected by the members themselves. The function of the Committee was to advise the manager on all matters affecting the working of the Exchange including the general aspects of the problem of placement of personnel. The Committee, however, was not to concern itself with individual cases

#### EMPLOYMENT EXCHANGES UNDER RESETTLEMENT ORGANIZATION

Early in 1945 in view of the satisfactory progress of the war it became an urgent necessity to set up the resettlement and reemployment organisation as soon as possible so that it was in efficient working order to cope with demobilisation on a large scale when the war came to an end. The Government of India, therefore, decided to have an integrated resettlement organization under the Department of Labour to promote the resettlement and reemployment in civil life of demobilised members of the defence services and discharged war workers. This decision necessitated setting up a network of Employment Exchanges and accordingly a scheme was launched on a 5-year basis. In place of 10 existing Employment Exchanges under the new scheme there were to be 71 Exchanges. These were to be run by a trained staff. The training was to be imparted under an expert whose services were borrowed from the Ministry of Labour, U. K. Accordingly training centre for the purpose was started at Delhi. On the occasion of the opening ceremony of this centre, Mr. S. Lal, I. C. S., then Additional Secretary to the Government of India, Department

of Labour, said, "The opening of Employment Exchanges on the scale contemplated will be the beginning of a new chapter in labour policy. In the Labour Department we feel that we are embarking on something great—indeed so great that the magnitude of our task almost frightens us." Commenting upon the reason and scope of these Exchanges he said :

The opening of these Exchanges is due primarily to the obligations which we owe to the demobilised personnel of the defence services and to other discharged war workers. But we cannot deal with these categories in isolation. They are civilians and will merge in the civilian population. What we do for them cannot be long denied to others. We should, indeed, like very much from the start to take a wider and all-embracing view of the scope of our duties but there are limitations to what we can undertake in the beginning—specially when we embark on a new experiment of this kind. Knowing that the burden is too heavy for us to bear all at once, it would not be wise to allow ourselves to be crushed by it. By patient manipulation we can handle it and this is what we should get out to do with courage but not with foolhardiness.

Our Exchanges will at first be an important part of the machinery for resettlement—which (Employment service) I feel sure will in time be of immense benefit to all without distinction of colour, creed, caste or rank.

Our Employment Exchanges will not guarantee full employment but they are needed to help workers to find the most suitable employment, to assist employers to secure the most suitable workers and to ensure that the available workers and the available jobs are brought together as promptly and as satisfactorily as possible. Our Exchange machinery should at least enable us to watch the level of employment in the country and to know whether that level is rising or falling. If this level falls too rapidly there will be unemployment and distress. Our Exchange machinery should be able to give due warning and should enable Government to take positive measures to raise the volume of employment for those categories who are likely to suffer. The Exchange machinery now visualised should therefore play an important part in the phasing of postwar development schemes with a view to ensuring proper co-relation between postwar planning and employment.

The number of Exchanges that we propose to set up is comparatively small, but it represents a real beginning. We

are covering most of the industrial centres and we also propose to link up with rural areas through Employment Information Bureaux.

The organization that is being set up is a delicate mechanism consisting of a Central Exchange, 9 Regional Exchanges, 59 Sub-regional Exchanges, 2 Special Exchanges (one for naval and the other for aircraft trades) and a large number of Information Bureaux. So far only 70 Exchanges have been set up. These are being further supplemented with mobile Exchanges which will contact employment seekers and employers in outlying areas. Thus, more employment opportunities will be exploited and the work will be accelerated.

As the area covered by each Employment Exchange in the Madras Presidency is large, District Employment Offices have been set up in districts in which Sub-regional Exchanges have not been established. These offices function under a Special Assistant attached to the Collector as outhoused sections of the Sub-regional Exchanges in whose territorial jurisdiction the district falls. A clear division, however, has been effected between the work appropriate to Employment Exchanges and that to special assistants to collectors. The managers of Sub-regional Exchanges are responsible for the discharge of all functions pertaining to the Employment Exchanges in their areas whether discharged at Sub-regional Exchanges or at District Employment Offices in that area. Similarly the Special Assistants to collectors are responsible at the Exchanges as also at District Employment Offices for receipt and submission of applications for reserved vacancies, cooperative units and such other schemes as may be delegated to them by the Regional Director of Resettlement and Employment. Thus the possibility of duplicate action, one at the Exchange and the other at District Employment Office in respect of the same person for appointment in any one scheme is removed.

This system as said already is only adopted in Madras Presidency.

The function of Central, Regional, Special and Sub-regional Exchanges and Employment Information Bureaux and their inter-relationship have been set out by Government of India, Department of Labour in a Memo. issued with their letter No. RE. 1 (7) dated 17.4.45 as follows :—

“(i) The Central Exchange will co-ordinate the works of Regional Exchanges and Special Exchanges and will also act as an inter-provincial clearing house.

“(ii) The Regional Exchanges will co-ordinate the work of the Sub-regional Exchanges within their respective areas and will also act as provincial clearing houses.

“(iii) The two Special Exchanges for Naval and Aircraft trades respectively will deal with these special categories and will be linked up with the Central as well as their respective Regional Exchanges.

“(iv) Sub-regional Exchanges will be responsible for the registration and placement of personnel within their respective areas. Each Sub-regional Exchange will have a number of Employment Information Bureaux attached to it, which will perform agency functions.

“(v) Employment Information Bureaux will form a link between the demobilised persons and Sub-regional Exchanges. These Bureaux will be a supplementary channel for communicating information and advice to demobilised persons on all matters relating to their training, registration, placement etc. and for forwarding any requests and communications from demobilised persons to Sub-regional Exchanges.

“Each Sub-regional Exchange will have an Employment Advisory Committee consisting of representatives of workers and employers, both Government and private, attached to it.”

The Central Exchange has been stationed at Delhi and one Regional Exchange in each of the major provinces. Thus the Regional Exchange for the (i) Punjab and N. W. F. P. is at Lahore, (ii) for Sind and Baluchistan at Karachi, (iii) for Delhi and Ajmer-Merwara at Delhi, (iv) for U. P. at Cawnpore, (v) for Bihar and Orissa at Patna, (vi) for Bengal



and Assam at Calcutta, (vii) for C. P. and Berar at Nagpur, (viii) for Bombay at Bombay, (ix) for Madras and Coorg at Madras.

Nawab M. A. Gurmani has been appointed the first Director General of Resettlement and Employment and the entire organization of employment service in India is under him. He has to supervise, co-ordinate and direct the work of both Central and the Regional Sections of the Resettlement Organization besides establishing and maintaining close contact with other allied Central and Provincial Government Departments. He has his headquarters at Delhi and is assisted in his work by six Directors. One is Director of Employment Exchanges and Statistics. His functions are: (a) To supervise, integrate and direct the work of Central Regional and Sub-regional Employment Exchanges. (b) To collect and maintain the necessary statistical data regarding the number of persons likely to be demobilised and the employment opportunities likely to be available and all other relevant information pertaining to employment. (c) To prepare and maintain card indices of demobilised persons. (d) To arrange for training and register courses for the managerial and office staff of Employment Exchanges.

Other 5 Directorates are ancillary and vitally aid this directorate in the work of resettling ex-service men and discharged war workers in civil occupations. For example, *Directorate of Employment* taps all available sources and explores new avenues of employment for demobilised persons and keeps abreast of all schemes of postwar developments at the centre and in the provinces. It has separate sections dealing with different categories of employment. Similarly, *Directorate of Technical Training*, in collaboration with Government Factories, Railways, Provincial Governments and Civil Industries, organises further technical training and apprenticeship

in factories for such demobilised technicians as may need the same for civil employment. *Directorate of Vocational Training* on the other hand prepares schemes for the training of demobilised persons in non-engineering trades and vocations. *Directorate of Publicity* attempts to popularise the employment of demobilised persons in private employment and canvass as the private employers. The last but not the least is the *Directorate of Welfare*. It maintains a close liaison with Labbur Welfare Organisations of the Central and Provincial Governments to watch and safeguard interests of demobilised persons in civil employment.

All the above Directorates have their regional ramifications. The Regional Organisation thus is under a Regional Director of Resettlement and Employment who co.ordinates the activities of the various sections of the Regional Organisation. He establishes and maintains close contact with the Provincial Governments concerned. He has an Employment Advisory Committee consisting of representatives of Government Department, Employers' and Workers' Organisations and D. S. S. A. B. to advise him on problems of resettlement.

Resettlement in civil life of demobilised persons involves: (a) advice and guidance in the selection of civilian occupation; (b) training for satisfactory employment; (c) registration of candidates and placement in suitable jobs; (d) welfare or follow up after employment. Accordingly the Labour Department of Government of India have set up a Resettlement Advice Service at Release Centres.

This is to " (i) assess the intelligence and aptitudes for various types and grades of employment of such demobilised personnel as may need and ask for resettlement and employment assistance, (ii) give them detailed information and advice regarding available employment opportunities and technical

and vocational training facilities, (iii) complete the card indices of all the demobilised services personnel and (iv) explain to them the procedure to be adopted for contacting the appropriate employment Information Bureau or Employment Exchange.”\*

Arrangements have been made to provide technical and vocational training to the following six categories : “ (i) those whose training was interrupted as a result of war service ; (ii) those who had a civil trade before joining the defence services and need a refresher course ; (iii) those who have acquired a new trade during their war service and need further training for suitable civil employment ; (iv) those who need upgrading or higher training in order to secure suitable civil employment ; (v) those who wish to take up a trade for which there is an urgent demand provided they have the basic qualifications for undertaking such training ; and (vi) those who need apprenticeship and industrial or practical training before they could be effectively employed.†

In imparting the technical and vocational training due regard is being kept of opportunities for employment in the technical field. The scope of the training facilities has been kept very wide and embraces : (i) Engineering, Building and other technical trades ; (ii) Agriculture and allied occupations ; (iii) Clerical and commercial occupations ; (iv) Professional and semi-professional occupations ; and (v) Domestic and social services.

These trainings will be provided not only at the training centres run by Government but also in private institutions, factories and establishments. In

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\* Broadcast talk dated 29-8-46 by Director-General of Resettlement and Employment.

† Prospectus of Technical Training Scheme for Demobilised Services Personnel, August 1946.

preparing the syllabus for training every effort is made to make the training suitable for civil requirements. In addition to free board and lodging, ex-service trainees are paid monthly stipends. Where free board and lodging is not available, trainees are compensated in cash for the same.

These training facilities are at present open to ex-service personnel only. But the Hon'ble Mr. Jagiwan Ram, Labour Member, in his address to the Labour Ministers' conference on Oct. 15th, 1946, said, "I hold the view that the training should be made available for the civilian population too and should not be limited to ex.servicemen. But all the same, we have to take into consideration the various limitations...Still so far as these training schemes are concerned, I will certainly examine the possibility of throwing them open for the civilian population." Exchanges are now responsible for postings to these training centres.

To place a right man in the right job a network of 70 Exchanges with several employment Information Bureaux around them in rural areas has been spread throughout the length and breadth of the country. But the work of the employment service does not stop with the satisfactory placement in employment. The interests of the persons placed in employment have to be watched. For this purpose a welfare or follow up service is also proposed to be set up. Special efforts are being made to look after the disabled service personnel. Free post hospital treatment followed by technical or vocational training where necessary has been arranged for them. Every effort is made to equip them for the most skilled work in which their potential employability is utilised to the maximum in normal competition with able-bodied fellow-workers without ever letting them feel their disability.

## THE WORKING OF AN EXCHANGE

Coming to the actual working of an Exchange, it may be noted here that this organisation has been divested of the, famous redtape usually associated with Government offices. Speed and efficiency are the guiding mottoes for Exchange Offices. Full and detailed information of manless jobs and jobless men is to be kept at these Exchanges on card indices. These are in envelope forms to facilitate the filing of all the correspondence inside the relative index card. Each index card is given a trade index number and is kept accordingly in the cabinet in accordance with the same. Inside the same trade, cards are filed alphabetically by the name of a candidate or the employer as the case may be. Separate cabinet registers are maintained for Dormant, Live, Pending and Dead Index cards. This method of keeping record of the candidates and the vacancies is very helpful in matching the two without any loss of time.

The index cards for ex-servicemen are prepared in triplicate at demob centres before release. One copy goes to the Sub-regional Exchange nearest to one's home, one to the Regional Master Register and one to the Central Master Register. These are arranged alphabetically by name in the Dormant Register for each services separately in Army, Navy and Air. As and when an ex-serviceman signifies his need for the help of the Exchange to find a suitable employment his card is removed from the Dormant Register.

When a person is submitted to any employer, the fact is recorded on his card. It is then removed to the pending register. This, however, does not deprive him from being considered for other vacancies, while the result of the first submission is being awaited. On the receipt of a reply from the employer, if submission is successful the card is transferred to the Dead Register - kept alphabetically

by name of the candidate, otherwise the card returns to the Live Register.

The registration of a workman at the Exchange is no bar to his making his own efforts to find a suitable job himself. If he gets one he has to inform the Exchange accordingly when his card is transferred to the Dead Register, with a suitable entry of 'Found work.'

The vacancies notified to an Exchange are also kept in a similar form. When they are notified, verbally or in writing, they are immediately acknowledged and an index card is made out for them. They are trade indexed and filed trade-index-wise in Live Order Register, which again is a cabinet register. Any submissions made against an order are recorded on the back of the card and when the vacancy is filled either through the efforts of the Exchange or otherwise, the card is transferred to monthly dead order register. Here the cards are kept separate from Dead Order Register till the end of the month for purposes of statistics. The arrangement of cards in either of them is alphabetical, by the name of the employer.

If a suitable candidate, for any vacancy notified to an Exchange is not available locally on the Live or Pending Register of the Exchange it is required to send the information on a prescribed form to one of the neighbouring Exchanges, or to the Regional Exchange which in turn, if necessary, passes it on to the Central Exchange. This in Exchange jargon is called the Clearing House Procedure. Thus as Mr. S. Lall, Additional Secretary, Government of India, said in his broadcast talk in 1945, "by facilitating the necessary mobility of labour both occupational and geographical it (Exchange) helps to bring about a proper adjustment of labour supply and demand."

Central and Regional Exchanges are equipped with Appointments Branches which deal with

officers and highly technical and administrative posts. They also have a separate women's branch. Thus it is planned to give service of the Exchange to every section at present of the Forces and later of the society in general.

#### RECRUITING AND EMPLOYMENT OFFICES

When the war came to an end rather suddenly in May 1945 it became essential to have some sort of machinery to deal with demobilisation and resettlement into civil life of ex.servicemen and discharged war workers. Labour department was not yet ready with its Exchanges. The staff was under training. As such it was decided to convert 116 military recruiting offices into Recruiting and Employment Officers. This was to bridge over the gap till the Labour Department's Employment Exchanges could be set up. The Recruiting and Exchange Offices functioned till 1st May 1946, when the Labour Department took over from them. At present the Labour Department's scheme is on a 5-year experimental basis. At the end of 5 years the position will be reviewed in consultation with the Provincial Governments and a decision will be taken regarding (i) the transfer of Regional Sections of the organisation to the provinces, (ii) the retention of the Central Section of the organisation as a coordinating body, and (iii) their interrelationship. To quote Nawab M. A. Gurmani, Director General of Resettlement and Employment, from his broadcast from Delhi on August 29th, 1945, "The employment service we are setting up is not a temporary measure. It provides the basis for future development. As the opportunities for employment increase the scope of employment service will be widened to cover all categories of employment seekers. We hope that it will eventually develop into a permanent service closely integrated with the economic policies directed towards achieving full employment and higher living standards for the people of India". Thus in U.P. the Exchanges have

already started dealing with civilians in addition to ex-servicemen and other war service candidates.

#### CRITICISM OF EXCHANGES IN INDIA

The resettlement Policy of the Government of India and the Employment Exchanges have caught a good deal of public eye. They have received more attention of the press and the public than perhaps any other department.

Government of India, it has been alleged, has no resettlement policy worth the name. Two types of training are at present imparted for the resettlement of ex-service personnel, pre release and post-release. The former is the responsibility of the Army Department and the latter of the Labour Department. The employer in industry is sceptical of the value of either of them. He considers the period of training to be too short to be of any use to ex-service personnel in civil life. But as far as training under the Labour Department is concerned, the product is not yet in the market and it will be a mistake to form an opinion beforehand. Great care has been taken in preparing the syllabus and courses of training to make the trained personnel useful for civil industry.

It is often said that Employment Exchanges are of little use as they do not create employment. The total volume of unemployment remains unaffected. It is true that Exchanges do not create new employment but the Resettlement Directorate has a branch which taps all possible avenues for fresh employment and the Exchanges take full advantage of the same. Besides Exchanges keep and impart information regarding men and jobs available on scientific lines. This helps in reducing the avoidable unemployment caused by lack of knowledge. In reply to this it is argued that in India information of men in need of jobs is likely to be far in excess of that of the employers in need of workers, and as such it is useless to pretend that by organising Labour Exchanges Government will solve the problem of resettlement or un-



employment. But before any satisfactory solution for unemployment can be arrived at, it is necessary to have some statistical data both of men and of jobs that are or will be available. Exchanges by providing this will vitally help the solution of the problem. In the words of Mr R. H. Saloway, the Regional Director of Resettlement and Employment, U. P., the resettlement problem has two aspects, the creation of employment and the selection of the right men for the jobs. Government by a large programme of public works, by the encouragement of new industries and by the reservation of vacancies in Government services are hoping to make a substantial measure of employment available. The Employment Exchange organization will have the responsibility of securing that the available jobs are filled by the men best fitted to hold them. It has never been claimed that the Employment Exchange organization will solve the problem of unemployment. The organisation is a means whereby the extent of that problem can be assessed and appreciated and the right type of employee can be directed to such jobs as are available."

Dr. D. C. Jack, Government of India's Labour Adviser, after careful consideration expressed his doubts as early as 1943 about the probable success of Employment Exchanges in India. He said, "If Employment Exchanges are to provide adequate placing facilities they must be able to secure the support both of the workers and the employers. If they are merely to provide placing machinery what guarantee is there they will be used by the parties for whom they are intended? The employers must be satisfied that they can recruit labour through the alternative channels. The people must be satisfied that attendance at an Exchange is likely to secure them adequate employment more readily than if they seek employment directly. It is not clear that either the employer or the worker will find any advantage in the machinery of the Exchanges. The

success of Employment Exchanges in Great Britain was bound up with the administration of unemployment insurance which was compulsory for the persons affected and which enabled a complete industrial record of each insured person to be maintained. Without some corresponding arrangement, I am sceptical about the success of Employment Exchanges in India." There is no doubt a good deal of sane advice in these remarks of Dr. Jack. It will, indeed, be advantageous to have some arrangements in India like those of unemployment insurance in England. But the entire bulk of social advancement cannot be achieved in one stride. They were certainly not so achieved in other countries. There is no reason why India should put a stop to its social development after the Exchanges have been once organized. By and by unemployment and sickness insurance can be introduced. In fact, the existence of Exchange organisation should be useful in expediting other social reforms. Further, if the use of the Exchanges was made compulsory from the very beginning it would have probably done organisation and Indian industry more harm than good. Employers are not likely to welcome any scheme which touches their prerogative of being the employers. Any compulsion will antagonise them which the organisation can hardly face at this stage. Besides, suitable workers may not be readily available, which will retard production. That is why the organization is making every endeavour to secure close voluntary co-operation from employers and workers. For this purpose not only Regional and Sub-regional Exchange Committees have been established but below them a network of District Resettlement Committees have been started in each district. Consequently the public will be closely in touch with the organisation in every part of the country. As such, while the organization will work on voluntary basis, with the goodwill of all concerned it is expected to work satisfactorily.

Attempts have been made to measure the utility of the Exchanges solely in rupees, annas and pies ; and it is sometimes said that the cost of putting a man on a job is too high. Now it must be remembered that Exchanges are not a commercial venture—they are meant to render national and social service. The *per capita* cost, however, of placing a man in employment is diminishing steadily day by day as with the progress of time placing figures are increasing. It should, again, be noted that quite a number of placements effected by Exchanges go unrecorded because the employer and the employee do not yet realise the importance of intimating to the Exchange the results of sub-missions. They have not yet become exchange-minded.

A certain percentage of vacancies had been reserved for ex-servicemen during the war and it is therefore argued that by the placement effected by Exchanges, an equal number of persons will be thrown out of work and as such the exchange organization will be doing little good to the nation. Replying to this, Mr. R. H. Saloway assured that though there is no intention of going back on the undertaking to reserve permanent vacancies for 'war service' candidates every effort will be made to avoid the wholesale discharge of temporary employees. The appointment of war service candidates is like demobilization itself being phased over a considerable period and the best of those who have served temporarily during the war will stand a good chance for appointment to permanent vacancies. As far as industry is concerned, it is not intended that ex-servicemen and war workers should be taken into industrial concerns at the expense of existing employees, unless by their technical training they are more efficient than the employees they displace. In that case there is an ultimate gain to the community in having more efficient workmen. Moreover, it is an econo-

mic fallacy to presume that there is a fixed quantity of labour for the whole of the country's industry. Industrial labour is a continually shifting population. Furthermore, we can safely assume a considerable expansion of Indian industry as soon as machinery is available. In the meanwhile retirement and the removal of those who are lazy and incompetent are continually creating fresh vacancies which the Re-settlement Directorate is seeking to fill with technically qualified ex-servicemen and war workers.

Exchanges being Government offices, the general impression is that they will be tied up with a considerable amount of red-tapism usually associated with all the Government departments. It is feared that this will reduce the practical utility of Exchanges to the industry. An industrialist cannot afford to wait while the Exchange takes time in finding suitable workpeople. Similarly men who need work cannot be kept waiting hanging round the Exchange while they have nothing to eat at home. To quote Mr. Saloway once again, "the Exchanges have to be efficient and businesslike if they are to fulfil the object for which they are being set up. The staff has been especially trained for the work and the Exchanges should discharge a most useful function by placing the right jobs. They will save the employers from the need of advertising, and those seeking employment will not have to deal with middlemen, with all that this implies. I realise that the proof of the pudding will be in the eating but I would ask everyone concerned to give the Exchanges a chance and not to assume from the start that they will be bound by red tape."

It is true Exchange organisation is a new experiment to India, but it has been tried in other countries and has proved its utility. It is being modelled in our country after the British pattern which has stood well the test of time and there is no reason why it should not prove as useful here as it has done in

Great Britain. It may be that mistakes are made in the beginning and difficulties arise in unexpected ways, but let us work up the system with healthy optimism, firm determination and constructive intelligence, and we will succeed.\*

\* The views expressed in this article are personal and do not in any way mean a commitment of the Government policy.—Author.

## CHAPTER XVII .

### LABOUR DISCIPLINE IN INDIAN FACTORIES

By Jamshed R. Batliboi

With the rapid growth of large-sized factories in our midst necessitating the employment of large working forces, the individual has been totally submerged in the group, and the resultant loss of close personal contact and the important incentive of personal appreciation and encouragement has made the task of creating and maintaining a proper atmosphere of intelligent and sympathetic handling of labour a problem of supreme importance. A sound and satisfactory interlocking of the intricate network of human and mechanical elements into a harmonious unit, and the smooth working and well-disciplined behaviour of all engaged in the common task of economic production must, therefore, call for most careful thought, great powers of leadership and a specialised training in human psychology.

*The Necessity and Aim of Factory Discipline.* To enlist the co-operation of its many and diversely constituted employees, the management must be founded today on a much broader and more rational basis than a mere desire for gain. True factory discipline, in its widest sense, can alone be achieved if our wage-earners are treated as live and feeling human beings, and their willingness to work is enlisted by measures calculated to help them enjoy an all-round better standard of living. It is to be regretted that the human side of the question has so far been overlooked and neglected, or has received only casual or scant attention in our country, with the resultant strikes, discords and indiscipline. It is high time our industrialists realised the over-

riding importance of the harmonious and effective knitting together of the human and mechanical forces for the attainment of real success in any industrial organization.

There can be no denying the fact that for the orderly and effective functioning of any industrial enterprise, with a view to secure the lowest economic cost, the maintenance of most rigid discipline is of the utmost importance, for efficiency and discipline are indissoluble. No organized unit can ever hope to function smoothly, efficiently and equitably without proper discipline. But the health, contentment and physical and mental fitness of their work-people should be the primary concern of those who seek for discipline and efficiency. Proper and cheerful working conditions and sympathetic and understanding management and supervision are the desiderata from this angle. You must create and maintain conditions as would conduce towards co-operation and team-spirit, if you mean to induce co-operative habits and inculcate a spirit of discipline.

The problem of discipline must be closely and most carefully considered in all its bearings from the very commencement of the business, as it must become more acute, more complex and more difficult of solution as the factory grows in size. As the aim of discipline is to develop character and efficiency, it is necessary to ensure that the disciplinary measures intended to be observed by the members of any business are really essential and most suitable to its particular needs. They must be so framed as to evoke a hearty response and serve as an incentive to all to give of their best. An important thing that needs to be stressed is that the Disciplinary Rules and Regulations once set up must be faithfully and cheerfully observed by all those for whom they are meant. The workers should be made to understand how these rules are meant to help towards the main.

tenance of the requisite standard of conduct. It is only when they are satisfied that the disciplinary rules and regulations are meant for the common good and effective working of the organisation as a whole, that they will respond cheerfully and give their hearty co-operation.

*The Chief Executive as a Disciplinarian.* As the discipline in any organization must begin at the top, the main attributes of the chief executive (apart from a requisite knowledge of finance, plant efficiency and manufacturing technique) should be exemplary character, high organisational capacity and ability to gather round himself a band of loyal and willing co-workers who are prepared to do his bidding and act on his suggestions and guidance. His main duty would be to delegate work and authority, and allocate definite responsibilities to the right officials and subordinates, and install proper supervisory methods to ensure that each one fulfils his duties as planned. He must be able to evaluate the intelligence, ability and services of his executives and subordinates at their true worth, and see that each one of them is well placed and suitably rewarded. As a disciplinarian, he must get the work done as scheduled without any harshness or overstrain on the employees as would affect their health and efficiency, by inspiring and leading rather than by driving and bullying. He must know how to maintain an evenly balanced combination of familiarity and sternness, of praise and censure, and of reward and penalty. The good and bad qualities of the higher executive psychologically animate the minor ones, and the attitude of the minor executives is largely a reflection of the attitude of the higher management.

*Executive-Subordinate Relationship.* In the interest of high discipline and co-operative efficiency, every executive must adopt a well-balanced and impartial attitude in his relationship with those under him. His main efforts should be towards



getting active co-operation, team-work and disciplined behaviour from his subordinates. He should make the latter feel that they are all there to achieve a planned objective and must act up to the ideals set by himself. He must take them into his full confidence, and must not hesitate to take their suggestions and fully utilise them if they are found workable. He should also see that there is respect, mutual trust and goodwill not only between him and his subordinates, but also between the subordinates themselves. He must make the training of subordinates for higher positions open and easy to all aspiring to advancement and should see that the responsibility of each minor executive is always supplemented by requisite training. He must also closely watch how his subordinates deal with those under them and in case of any discord, he must not come to hurried decisions without studying both the sides of the question. The true executive is one who handles those under him with kindness by recognizing their working limits as human beings, and who does not make their lives unbearable by overloading them with work. He must see, however, that kindness is not mistaken for weakness and he must not forget that most men are not willing to exert themselves to utmost without some external pressure.

*Subordinates in Relation to Their Men.* The individual subordinates should study their men individually and classify them for treatment according to their peculiar tendencies and capacities. Their main duty would be to inspire a co-operative spirit amongst the workers by uniformly fair and sympathetic treatment to all. The business atmosphere and relationships need not be harsh, but may be friendly and yet not too familiar. Orders for work should not be passed as commands but as requests in a polite and effective manner. "We shall put this in hand immediately," or "Come, we shall get this thing through in time," are sure to evoke better response than "Start with this work at once," or "You must finish

it soon." All instructions accompanying orders must be given in a clear-cut language so as not to leave any chance for misunderstanding. A vital thing to ensure is that once an order is given, it is duly carried out as instructed. Any laxity or indulgence, if shown in this respect, will create sluggishness in others and will mar the group-discipline. Mistakes or lapses should, however, be pointed out in a calm and dignified spirit. The employees should be made to understand that they conform to the rules and regulations as laid down, as they are in the general interest of the organisation as a whole. Attention should be called to omission and mistakes not in the presence of others, but the delinquent may be sent for in the office and may be gently pointed out the nature of his mistake. Under no circumstance should deliberate insubordination, neglect or disregard of rules be tolerated, and the offender must be promptly and strictly dealt with. Threats or warnings of discharge, suspension or lowering in grade, should never be given unless they are meant to be carried out, as otherwise they will fail to have the desired effect.

*Foreman as a Disciplinarian.* As the foreman or supervisor happens to be in direct contact with the workers the whole time, it cannot be denied that by his own considerate and just behaviour towards workers and his attitude to his task, he not only sets a good example of personal efficiency and discipline, but practically creates the atmosphere in which the operatives work. As a supervisor and disciplinarian, his main attention would be directed to the getting of the maximum output by a close co-ordination of the activities of his men coupled with strict supervision to secure the requisite quality at economic costs. Economic production depends as much on skilled supervision as on the ability of the foreman to inspire his men with a spirit of teamwork, discipline and enthusiasm to work for the common good. He is the one person so peculiarly situated as to hold the balance between the manage-

ment and the men in regard to the constant clashes of interests which frequently arise.

His first duty is, no doubt, to see that he is fair and loyal to his employers, but he is equally responsible to see to the interests of his men, and must not shirk from standing up for their legitimate rights and grievances when occasions arise. To achieve discipline, he must take a conscientious and intelligent interest in his work and handle his men smoothly with tact and tolerance. Fair dealings, courtesy and encouragement would inspire confidence and respect, whereas "bossing" and harsh measures would create bitterness. He must also strive to secure economic production and must scrupulously guard against and prevent all avoidable waste of materials, supplies, power, light and heat. He will benefit himself and his section considerably by co-operating wholeheartedly in the training of the new entrants and by placing his experience at the disposal of the Training Department. He must be good at sizing up his men and deal with each according to his individual tendency and temperament. As he will have to deal with a multiplicity of traits, habits and aptitudes, he must know how to handle them individually by a genuine attempt at studying the minds of those over whom he is placed. Whereas he would need to be lenient and persuasive to some, he will have to be sharp and stern towards others. He should not, however, be more severe or excessively harsh than the occasion calls for. He must be imbued with a sense of human sympathy and understanding for persons with less and skill and slower mental aptitude than himself. He must understand that the spirit and discipline of his shop cannot be better than what he can set by his own conduct. He must not be unfairly critical, or unduly assertive, or suspicious. While he must abstain from giving any cause for friction, discontent or irritation, he must never tolerate inefficiency or breach of discipline.

It must be clear from the above as to what vital part a foreman or supervisor plays in inspiring good performance and sound discipline, and what a serious risk it is to place men in such positions in a loose and desultory fashion without due enquiry into their merits. Our works managers have hardly realised the vital fact that a foreman can make or mar the factory discipline for it cannot be denied that an untrained, unsuitable or inefficient individual, if given the post, would disrupt the efficacy of any well-intentioned organisation and management.

*Works Rules and Regulations.* Works Rules and Regulations must be just, unbiassed and uniform in their application to all. There is no doubt that time lost through late-coming, broken time, and absence due to ill-health or other reasons, as also the insolent and pugnacious behaviour, or wilful insubordination or misconduct, constitute a formidable problem, and in no case should a direct violation of any recognized rule be tolerated. First mistakes should never be criticised sharply or too severely. Cases of repeated offence must, however, be dealt with severely, as otherwise any leniency shown will act adversely on the disciplinary behaviour of the group and spoil team work. Where warnings and fines have failed to bring about the desired result, drastic measures may have to be resorted to by way of suspension of work, forfeiture of certain privileges, or loss of seniority. The severe penalty of dismissal should be inflicted only where other methods of persuasion and punishment have failed to bring the recalcitrant to a sense of his duty.

The Works Rules and Regulations, which relate to the conduct of the employees in their day-to-day affairs of the works, must form the basis of their employment, and are expected to be strictly observed by all those for whom they are meant. They lay down in general terms the principal duties of employees as to the regular attendance and time-keeping, careful

use of materials, tools and plant they handle, and their behaviour to their co-workers and superiors. They also specify the fines and other penalties to which any delinquent would be liable, and provide for a reasonable period of notice to be given by the worker on his wishing to leave the service, or in case the management would choose to dismiss him. Fines and other forms of penalties relate generally to the following: (i) absenteeism without leave or on frivolous plea of illness; (ii) persistent late coming, or leaving the works before time without permission; (iii) loitering during work hours; (iv) neglect of sanitary rules or safety precautions; (v) spoilage of materials or tools through neglect; (vi) disobedience of orders, or inattention to instructions or warnings from recognized authority; (vii) wilfully wasting or misappropriating materials; or damaging any property such as tools, machines and appliances belonging to the concern; (viii) deliberate breach of any of the Works Rules or Departmental Regulations; (ix) any act of wilful misconduct, such as threatening, insulting or using improper language, or combining with others in instigating strikes or stoppage of work.

To serve as a check on indiscipline and wrong attitude to work, a good plan would be to maintain a Record Card for each employee, and to enter therein at the end of each year his performance and delinquencies. This will serve as a guide when questions of bonus, promotion, seniority or special privileges come up for consideration. On leaving his employment, the Card should be handed over to the worker with an endorsement as to his general conduct and character, and the cause of his leaving or discharge. It is desirable that all our industrial organizations should form themselves into an association and make it a strict rule that such a Card from the former employers should be presented on application for a new job.

*Psychological Approach to Labour Discipline.* Employment is not an impersonal and soulless affair so that the human element may be handled in a reckless fashion without any consideration or respect for the ordinary needs and wishes of the individuals. The wage-earners are not to be regarded as mere machines from which maximum output is obtained at the least cost and which are scrapped when they are worked out. On the contrary, the effective service, discipline and loyalty of any set of employees would be considerably enhanced by giving them the best possible human treatment and making them feel as useful and indissoluble parts of the organization as a whole. In order to engender a spirit of willingness to work and a real desire towards co-operation, there must be created in the employees feelings of underlying satisfaction and most cordial relations with the management by a gentle, just and persuasive type of leadership. A study of Industrial Psychology would be of inestimable help in a thorough understanding of the technique of human analysis.

Psychology has proved indisputably that the troubles within the industrial family ordinarily arise from maladjustments in the relations between the management and the men, between the men and their jobs, and between the jobs and the working and environmental conditions in which the work is performed. Abnormal absence, irregular attendance, lack of interest in the jobs, deliberate misuse of tools and machines, waste of materials and time, poor workmanship, indiscipline and high labour turnover result mainly from faulty methods of recruitment, selection and placement, on the one hand, and absence of incentives, equitable working conditions and just and persuasive treatment, on the other. The immense psychological importance of desirable conditions of work, reasonable working hours, healthy and cheerful environments, fair and adequate pay,

and uniformly just and considerate treatment have yet to be understood by our employers.

It is a serious mistake on the part of our industrial management to imagine that their responsibility in regard to the health and well-being of the factory workers begins and ends with the faithful observance of the Factories Act and Public Health, Safety and other Regulations. Their constant efforts in the all-round betterment of their workers' lot must reach far beyond these legal requirements. There must be a persistently genuine and well-meaning attempt on their part to determine by careful investigation and weed out all conditions within and without the factory which adversely affect the mental and physical state of the worker and obstruct regular accomplishment, if efficiency and good discipline are to take their rightful place in our industrial activities. It is this conception of appreciating the enormous importance of the individual worker and his mental and physical attitude towards his task which has helped considerably in developing industrial welfare work as a further incentive to increased efficiency.

*Measures That Call for Urgent Attention.* The above brief survey suggests the directions which require urgent attention. We must first wipe out the curse of illiteracy. Education will produce an out-and-out better type of worker—one with character, ability and a real desire towards service. There is need of instituting schemes to encourage thrift and savings habit e.g. by means of savings accounts, mutual benefit schemes, insurance, or home ownership on instalment basis. Measures should also be introduced to ensure to workers security in old age, sickness, accidents or permanent incapacity. We must also free our industrial workers from the undesirable domineering influence of jobbers, mistries or mucadams who play the triple part of intermediaries in filling up vacancies, of money-lenders, and also of strike leaders on occasions. We must stop the

the open abuse of their positions by the executives and foremen in introducing their friends and relatives in their own sections regardless of their ability. The handling of labour can best be left to the Employment Department. We need to introduce Vocational Guidance and Psychological Tests for all applicants in our factories, in order to measure their intellectual abilities, their physical fitness, and the required skill and capacity to do particular types of work. We must also determine, after careful investigation, the amount of work in the various industrial pursuits beyond which the operative should not be allowed to exert himself during each working day. Where the nature of work can be split up and measured in terms of definite productive units, we must introduce the system of payment by results, i.e., the Piece-work Basis. We must stop the exploitation of labour at starvation wage by prescribing a minimum level in each industry within certain well-defined areas. House conditions also require immediate attention. Where the factory is located in out-of-the-way places, far from the workers' living quarters, and there is no available means of transport, facilities should be provided for transport to and from the works. A system that has proved highly successful in enlisting the confidence of the workers in the good intentions of the management is to carry out all the activities in relation to labour by means of Works Committees consisting of executives and the representatives chosen by the workers from the different sections of the works. Industrial Welfare, which has received scant attention on the part of our employers, should also be given immediate attention.

There is an urgent need of training our works managers and supervisors to ensure effective and sympathetic handling of men. Very little has been done so far to create in them the proper mental outlook and attitude which their position demands. It is to be regretted that recognition of good work and the recognition of the dignity of work are scarcely to



be found in our executives and subordinates. Our shop-superintendents, supervisors and foremen must be asked to mend their ways. They must cease to treat labour as 'a commodity and the worker as a machine, and try to put a little human touch in all their industrial activities. It is the disregard of industrial workers as live and feeling human beings by those in management that is chiefly responsible for an appalling amount of miseries resulting from indiscipline and constant labour unrests.

We can ill-afford to ignore that our masses have awakened to a full sense of the disabilities and indignities they have suffered in the past, and it is high time our progressive employers and industrial leaders bestirred themselves to repair the obvious wrongs and make good the omissions 'by formulating policies for the all-round betterment and well-being of those who toil and sweat for them. It will equally be in the interest of our national prosperity if our labour leaders, while securing for the workers a higher standard of living and seeking to redress their genuine grievances, infused in them a spirit of service and discipline, and refrained from wrongly instigating them to strike work on the most flimsy and indefensible grounds.

While it is a fashion to brand our workers as ignorant, inefficient, and undisciplined, it may safely be asserted that constant instances of indiscipline, labour conflict and a large labour turnover can justly be regarded to be the index of bad management. The present state of indiscipline in our factories and meagre approach to efficiency are mainly attributable to the lack of sympathetic study and knowledge in the right methods of dealing with the day-to-day human affairs in industry.

*Mass Indiscipline.* The constant differences and disputes in employment relations often resulting in epidemics of strikes, lock outs and other forms of

industrial unrest are admittedly one of the major problems of modern industry. The task of making a proper diagnosis of this disease and finding an effective remedy has become a dominant function of industrial leaders and States all the world over. The employers and those who think with them are often quick to attribute such discontent and strife to the ignorance, inefficiency and the inherent obstinacy, suspicion and hatred of the wage-earners and their leaders towards them. The employees, on the other hand, are not slow always to blame the management for the spirit of exploitation and selfish and inhuman motives which have guided all their activities in the past.

There are, no doubt, faults to be found on both the sides. On the one hand, our employers have yet clung tenaciously to their inborn belief in the master and servant relationship, have persistently refused to surrender their self-acquired rights and privileges of the master class, and have failed to adjust their ways and bring them on a line with the rapidly changing economic and social outlook of the wage earners. On the other hand, as a result of continued ill-treatment, absolute negation of amenities and incentives, and a callous disregard towards any measures tending to the general upliftment of the wage-earners, the latter have always expressed their ill-will, distrust and resentment towards those in management. They have persistently refused to submit to disciplinary measures and to listen to reason, and have often shown unwillingness to think and act in terms of mutual interests. At times they have tried to exploit situations most favourable to themselves in pressing their unreasonable and untenable demands to the utter disregard of the economic conditions of industry and trade and the disastrous effects such claims would have on the community at large. In not a few cases, the strife is mainly attributable to their abject surrender to incompetent, corrupt and selfish leadership. •

It seems there will be no real solution of industrial unrest and no industrial peace, unless each side is taught to equitably balance and respect the viewpoints and feelings of the other from a true realisation of each other's place in the world of industry. Such a bent of mind can only be created by inculcating in our youths a spirit of tolerance, mutual compromise and respect at an early age of impression. Towards the attainment of this object, it is hereby suggested that a compulsory study of "Character and Personality", "True Citizenship", "True Leadership", and "Employment Relations", be introduced in our high schools and colleges, in place of such other subjects as may not be so vitally important in after-life. These students when they come out in life as citizens—either as employers or employees—would make an invaluable contribution to improved industrial and employment relations.

It will be idle to suggest that this knowledge of human relations will do away for all time with all the industrial differences and strifes. It will, however, positively serve to bring under measurable limits and control all inequitable and stern methods of approach to human affairs in industry by the employers, on the one hand, and the constant breach of discipline, questionable habits and tendencies, and the unceasing and illogical demands on the part of the employees, on the other. It must undoubtedly result in most beneficial and far reaching effects on the stability of industry and the consequent uninterrupted progress of our country.

**Conclusion.** In the interest of labour discipline and efficiency, we sorely need to reconstruct the entire fabric of our industrial functioning on more rational basis. We must develop adequate sources of labour supply and better methods of recruiting and selection of industrial labour; devise right type of general education and training in manufacturing

technique, and introduce effective and generous policies for the welfare and well-being of our wage-earners. We need a scientific analysis of jobs and occupations, and a better method of job assignment so as to avoid misfits and prevent dissatisfaction, incompetence and indiscipline. We need to introduce equitable wage scales, desirable and healthy conditions of work and recreation, and initiate measures for the economic security of labour. We need better facilities for vocational training and fair promotional schemes in all our industrial organisations.

Our industrial management need to be convinced that every individual worker possesses immeasurable potentialities for co-operation as well as non-co-operation, and that their own methods of understanding and control of the human element must ultimately influence the attitude of the worker one way or the other. With a full recognition of the importance of habit in employment relations, our progressive educationists and employers of industry would do well to study the human mind in its relation to the attributes and traits which are manifested in the behaviour of the individual and his response to environmental conditions and incentives and the resultant data in reorganising and reconstructing the human conduct towards a more intelligent use of reason and intellect. Our workers used to be persistently explained with live sympathy and fact that the incidence of unemployment always rests heavily on those who are insufficient and unskilled, and it is therefore, in their own interests to cease all lax and objectionable habits, to utilise all available opportunities of training and advancement to best advantage, and to develop skill, discipline and efficiency by a conscientious devotion to work. Their past experiences and tendencies are thus capable of being reformed and reshaped into more attentive, reasoned and disciplined inclinations

towards their jobs and fellowworkers by the development of a spirit of co-operation, genuine interest and pride in work. The task is no doubt stupendous, but given goodwill, sincerity of purpose and earnestness, it is not incapable of realisation.

It is impossible to ignore the fact that well-disciplined and peaceful industrial relationships are the product not of legal compulsion, but rather of voluntary determination among human beings to co-operate with one another. We may legislate to the end of time but we shall always remain in search for harmonious human relations until we have developed a spirit of tolerance, mutual compromise and a sincere desire to respect the feelings and needs of others in the day-to-day affairs of business. Without this spirit of good faith and amicability towards all with whom we come in contact, all the social, economic and labour laws of men will fail to bring us to a true realisation of discipline and service.

In the true interest of labour discipline, the problems that call for an urgent solution are a more equitable distribution of wealth at its source, and a more human and just treatment to all who work for industry irrespective of their ranks.

## CHAPTER XVIII

### TECHNICAL TRAINING IN INDIA AND ITS FUTURE

*By L. N. Birla*

A great upheaval is afoot today in India and we have just been granted a status of an independent country. We look ahead to bettering the conditions of our masses by giving them better food, better clothing, better housing, better education, better sanitary conditions and by providing health resorts to improve their health. All this would mean a tremendous demand for adequate and qualified personnel in which we are most deficient. Although we are in the midst of a machine age, the human element still continues to play a very great part. Any task, however large or small, can never be accomplished unless there is a proper personnel to man it.

Though it is difficult to envisage future plans it is certain that there is going to be a very great change in the economic development of India. Under the future constitution, as it appears today, all forms of economic planning are going to be provincial subjects; though it may be a pious hope, the autonomous provinces which also have residuary powers may be expected to increase rapidly their productive capacity. Inter-provincial competition may lead to greater activity and may accelerate the pace of industrialisation.

Every kind of industrial undertaking needs managerial, supervisory staff and skilled and semi-skilled workers. Though the last two, that is, skilled and semi-skilled workers for certain industries are available, it is very difficult to get proper trained

supervisory staff. The reason for such a serious shortage in India has been, firstly, the great apathy of the Government and, secondly, lack of Indian controlled industrial concerns. The industrial enterprises usually encouraged here have been such as would not clash with the British manufactures ; and even then the foreign firms did not take any interest in training up local men but imported all of their superior staff from abroad. The Government wedded to *laissez faire* did not pay any attention to nor took any initiative in the matter. Though it was some time in 1880 that a resolution was issued by the Government of India calling upon the Provincial Governments to take action to extend educational facilities for industrial and vocational training, nothing practical came out of it. However, a number of technical scholarships were provided for students for technical training in foreign countries. This system had many drawbacks which limited seriously the practical utility of the scholarships. Firstly, the candidates selected were unsuitable. Secondly, the Indian students experienced very great difficulties in getting real practical knowledge in regard to technique and organisation of industries abroad ; and in spite of these drawbacks even those few students who returned to India were not assured of suitable employment because of lack of industries in India.

The World War I brought the question of technical training to the forefront. An Industrial Commission was appointed in 1916 which made very valuable recommendations. These included provision for training of men for organised industries which embraced both manipulative industries such as mechanical engineering, and non-manipulative industries such as the manufacture of chemicals. They also suggested establishment of craft schools for the benefit of cottage industries. The training of foremen in the works themselves with theoretical classes to be attached to the factories was also recommended.

For operative industries technological schools were recommended to be opened and for practical experience it was suggested that arrangements be made in the factories. The Commission also recommended establishment of two Imperial Colleges, one for the highest grade teaching of engineering and the other for metallurgy and mineral technology. But unfortunately, most of these recommendations were filed away in the archives of the Government. In 1919 education was transferred to the provinces and it became a provincial subject. Within this time the cotton industry in spite of keen competition with Lancashire had come to be established in India. The Government also had realised the necessity of giving a small half-hearted protection against unhealthy competition from the Lancashire mills. Bombay had become a centre of this industry. Although suitable facilities for the training of staff or of skilled workers were not provided for by the Government, the industry itself created a scope for large number of technicians to gain practical experience by working in the factories. Bombay Presidency was progressing towards greater industrialisation. Although Bengal was also not behind in industrialisation, its main industry, i. e. the jute industry, was mainly controlled by the European interests who had no interest in the training of the local personnel.

So about 1919 or 1920 Commissions were set up by the two Provincial Governments, viz., by the Government of Bengal and the Government of Bombay, to make recommendations on industrial education in their respective provinces. The Bengal Commission, known as Sadler Commission, made a report in February 1921. The Commission appointed by the Government of Bombay also submitted their report in 1921 and recommended establishment of apprentice schools attached to large workshops and factories to train 600 students. But even these halting measures could not be worked by the Provincial



Governments. Thus the original need of our economic life remained almost entirely unsatisfied and lack of technical training imposed a heavy drag on our industries. Foreign technicians were imported at high cost involving the country in heavy expenditure.

In 1931-32, out of the total expenditure on education of 27.18 crores, only 81 lacs were spent on professional colleges and even this suffered a cut in 1936-37. Although some arrangement by the Central & the Provincial Governments was made in the shape of schools and research institutions, still the facility granted for proper and adequate training was greatly lacking. At this time the following few institutions had come to be established: the Central Government institutions were the Indian Schools of Mining, at Dhanbad, Indian Lac Research Institution at Ranchi, and Imperial Institute of Sugar Technology at Cawnpore.

The Provincial Government's institutions were mainly concerned with the mechanical and civil engineering schools established at Madras, Lahore, Roorkee, Sibpur, Patna and Poona. But an idea may be formed of the inadequacy of the arrangements at these schools from the fact that in two of the engineering colleges in Madras and Poona admission in mining and engineering course was restricted to 25 students only. In 1932, the total enrolment in the engineering colleges in the whole of British India excluding Burma was only about 2,100. In 1937, there was a small increase and some 70 more students got the benefit of such training. From the Indian School of Mining at Dhanbad in 1932-36, only 43 students secured a diploma in mining engineering, 39 a certificate in coal mining and 12 a diploma in geology.

Thus when World War II came, we found ourselves not at all ready to cope with the colossal effort to provide sinews of war-machinery, munitions,

equipments, roads, bridges etc. on a scale that we had never produced before. We neither had the resources of industrialisation to help us with tools and plant and machinery of the right type nor did we have enough engineers, skilled and semi-skilled workers to help us to produce all that was necessary. This dearth could not readily be made good, for each depended upon the other. Thus the programme of planning assumed a very great importance and special measures were found necessary to train rapidly a large number of workers of different types of skill. The Government of India for once were obliged to give up their age-long lethargy, and in January 1942 they opened the first training centre, the Craik Institute at Lahore, with a training capacity of 70 trainees. The ball was set rolling and at the end of the year 291 centres had come into existence with a training capacity of 24,277. Training facilities were further increased when in 1942, 95 new centres were founded and training capacities of the existing centres were further enlarged. At the end of 1942, there was a capacity of giving training for 45,000 trainees. The scheme originally was devised to solve the difficulty faced by the dearth of technical personnel for the army. Therefore, when in early 1943 it was realised that needs of the army were not so urgent and when this argument was further enforced by the financial considerations, a policy of consolidation and improvement was enunciated and carried on till the number of training centres had been reduced from 400 to 170. With the reduction in the number of training centres their capacity had fallen from 45,000 to 32,000. Meanwhile, the ordnance factories had been conducting a training scheme of their own. The number of trainees under this scheme was regulated by the demands made by the factories. Facilities were afforded there mainly for (a) supervisor trainees for whom the minimum educational qualification was Inter. Science or knowledge of workshop practice, (b) training of, skilled

workmen whose purpose was to train men already in factories for more difficult production work. In order to meet the requirements of the civil industry with skilled men and tool makers, a separate scheme was prepared early in 1943 in consultation with the Indian Engineering Association. Under this scheme carefully selected tool makers and fitters who had passed their trade test from the technical training centres were to be allotted to firms engaged in civil industry. The most interesting scheme, however, was the Bevin Training Scheme enunciated in November 1940 by Mr. Bevin, the then Minister of Labour in Britain, with a view to accelerate munition production in India. This scheme was meant specially for the working classes. Recruitments were to be made preferably from among men of engineering trades and from among students of technical institutions. But the number to be selected from the latter group was restricted to ten percent of the total. It was for the first time that such an arrangement was made to enable the Indian artisans to get higher technical training in U. K. Still they could not reach the same level of efficiency as their European compeers. The trainees had the opportunity of undergoing a period of training which did not extend beyond eight months and they had to learn all that was normally learnt in nearly three years. The combined effect of the work of all these schemes was undoubtedly that India came to possess a number of skilled and semi-skilled workers. But still it was neither adequate nor those passed out could acquire enough proficiency to satisfy the country's need. Moreover, all these training schemes were conceived in the context of wartime needs and further training would be necessary to fit them for industrialisation in peacetime India. It was, again, training in only one line of the engineering side. When we want to expand in India all kinds of industries, it would be very necessary to have trained men not only in mechanical engineering but in other kinds

of engineering and chemical manufacturing which are essential to the requirements of the country.

The need of the country which will grow every day can no longer be postponed if our expectations about country's industrialisation are not to end in frustration. Although in the future constitution this will be a provincial subject, still unless the provinces combine and make consolidated effort for the training of the personnel we shall not make much progress. During the period of five years, about one lakh of men passed through all these training centres. But if we compare this figure with the various training organisations in U.S.S.R., we shall find that within three years the latter had turned out about one and a half million capable men who worked enormously and satisfactorily in the various branches of production to which they were sent. In the first five-year plan Russia made a provision for training one lakh students possessing university education and equipped them with the knowledge of technology and constructional work. They soon realised, however, that their dependence on foreign technicians was not very safe or profitable. Accordingly in the second five-year plan, provision was made for two lakh specialists possessing university education and 4,20,000 specialists from the middle technical schools for the service of industry, transportation and rural economy.

In U. S. A. training arrangements have been made on such a vast scale that admission to these institutions is open to and availed of by students from other countries as well. According to Prof. Hill, who visited India in 1944, there was no institute even in the U. K. comparable in magnitude, in the quality of equipments and in excellence of teaching and research work with the Massachusetts Institution of Technical Training at Cambridge, Mass., or indeed with several other institutions in U.S.A.

In the United Kingdom there is a system of apprenticeship whereby raw men join as apprentices in workshop and rise to become full-fledged engineers by working under actual factory conditions. Recently a new Education Act has also been passed and arrangements would be made to provide ample scope for technical education according to the needs of that country.

In India, we are still busy only with committees. Advisory committees on technical training and higher technical institutions to be established in India were appointed sometime ago. The committee on the development of higher technical institutions has issued as yet only an interim report. They have suggested establishment of four higher technical institutions in the four corners of India, i.e., one in the north, one in the east, one in the south and one in the west. There is no doubt that these four institutions will do a very useful work as far as the scheme goes. But it is doubtful how far they will materialise. In the first place, industrial training has become a provincial subject : we do not know whether these institutions would at all be established. Secondly, it appears from the interim report that these institutions will impart only theoretical training. The honours degree in a technical subject like engineering is not worth very much in actual practice. It is very necessary, if we want to give proper training, to acquaint students with the actual factory conditions and they should be made to work in a factory for some time before obtaining their diploma not as a superfluous member deputed by a technical college but as an actual member of the staff. This could be possible only if technical colleges or schools have arrangements, with the factories. It is also possible in some cases to establish training centres attached to different industries in different areas. For instance, a metallurgical and steel research institution can be attached to one of the steel factories operating in India and it

could be even possible to make the steel factories in India to contribute a part of the expenses of this institution. Similarly, not only one such school as is functioning at Dhanbad but several schools of this kind should be established throughout India in centre of mining areas where by arrangement with mine holders practical training could be given side by side with the theoretical training. Moreover, it is not only that we need arrangement for higher technical training, but we need some arrangement to be made for training of junior staff, training of foremen, skilled and un-skilled workers also. The mining school should turn out not only mining engineers, but even mistries trained in the use of mechanical devices to work the mines to supervise the underground workers. Recently efforts have been made in this direction by the Birla Education Trust by establishing a Technological Institute of Textiles at Bhiwani for training of not only the supervisory staff but also foremen and skilled workers for the use of textile mills in India.

We should plan the things in future India in such a way that the practical training side is looked after by the industries themselves, while for the theoretical side efficient schools are established where students in addition to learning the theory should also be given elementary knowledge of commercial side of that particular trade. It has been noticed that even the foreign technicians whom we get from abroad are devoid absolutely of commercial knowledge. As technicians they are very good indeed. Simultaneously with their technical knowledge if they are acquainted with the commercial side of the trade also they will be an acquisition to the factory for which they would work. Therefore, in India we should arrange for this additional knowledge for the students should also be given a training in administration. For this purpose when the student goes to the factory for practical training he should be

placed in the office for some time to deal with the administrative side. It will prove very helpful to the student when he comes to get a position of trust in the industry. Industrialists should also be invited to work on the management committee of the technical institutions. Without the cooperation of the industry and without actually knowing what their requirements are, these training institutions would not prove very successful. It is necessary to have technological institutions for every kind of industry we want to establish. It may not be necessary to have separate institutions for separate industries. For higher technical training one institution may deal with more than one subject having arrangement for practical training at different factories.

In case of industries which are non-existent in India we should make arrangement with foreign countries where we could send our students for training. The selection of students for foreign training must be made in consultation with the industry. For instance, there may be appointed a committee by the trade and industry and only those students who are selected by that committee should be sent for foreign training. Proper arrangement will have to be made in foreign countries also so that the students who go there may not simply waste their time. In the past the students who went abroad for training could not achieve much as there was nobody to guide them and to supervise the work they were putting up there. For this purpose it will be advisable that there should be special technical officers attached with our Trade Commissioners abroad whose responsibility should be to keep a watch on the students sent to that particular country.

Thus it will be only through right planning that after some time we can hope to gather a team of technicians for our need.\*

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\*"I am grateful to the members of the staff and Dr. I. Kanathan of the Eastern Economist for the figures which I have used in this article.—L. N. Birla

## CHAPTER XIX

### PROBLEM OF HOURS OF, WORK IN INDIAN FACTORIES

*By J. Dalmia*

. For the first time in the history of India, working hours of labour in Indian factories were regulated in the year 1881 by legislation, which was later amended in 1891. Then it was repealed and a new Act was made in 1911. It was again amended in 1922. After this, in the light of the recommendations of the Royal Commission on Labour in India, a comprehensive Factories Act, 1934, was passed in which minor amendments were made from time to time. A further amendment was recently made in this Act making reduction in the working hours. The table given on pp. 334-335 gives an idea of improvements made from time to time.

In the Act of 1881, 4 holidays in a month were provided only for children, and in the Act of 1891, weekly holiday was specified for all, which is being continued even now.

Provincial Governments are authorised to grant exemption from the limit of working hours in certain cases on the conditions as they think fit, which power has been exercised by the Provincial Governments partly due to competition from the adjoining Native States and partly due to necessities according to their opinion.

Hardship on labour due to working hours is caused in two manners, i.e. (1) physical exertion and (2) absence from the home for the purpose of employment. No person, in the interests of the nation, should normally be put to physical exertion beyond a limit such that his health starts deteriorating



	Year 1881	Year 1891	Year 1911
1. Age of children	Between 7 and 12	Between 9 and 14	No change
2. Age of adolescent	No restriction	No restriction	No restriction
3. Age of adult	Do	Do	Do
4. Hours of work for adolescent	9 hours a day	7 hours a day between 5 a.m. and 8 p.m.	6 hours a day between 5-30 a.m. and 7 p.m.
5. Hours of work for adolescent	No restriction	No restriction	12 hours a day between 3-30 a.m. & 7 p.m.
6. Hours of work for adults (male)	Do	Do	Do
7. Hours of work for adults (female)	Do	11 hours a day between 5 a.m. and 8 p.m.	11 hours a day between 5-0 a.m. & 7 p.m.

due to that reason ; and his absence from home for employment should be within such limits that he can reasonably look after his household affairs and his family members and devote some time for his physical and mental recreation and social welfare.

Previously no adequate provision was made by Law. The present Law provides some such regulations. The latest amendment of Section 38 specifies that the total spread-over of the working hours for presence on duty including rest period should not be more than  $10\frac{1}{2}$  hours in perennial factories and  $11\frac{1}{2}$

Year 1922	Year 1934	Year 1946
Between 12 and 15	No change	No change
No restriction	Between 15 and 17	Do
Do	Above 17 years	Do
No change	5 hours a day within 7½ hours between 6 a.m. and 7 p.m.	Do
11 hours a day and 60 hours a week	Same as adult ;if holds certificate of fitness from a certifying Surgeon, otherwise as a child	Do
Do	10 hours a day and 54 hours a week ; but for seasonal factories, 11 hours a day and 60 hours a week. 56 hours a week for continuous process factories	9 hours a day and 48 and 50 hours a week for perennial and seasonal factories respectively ; 54 hours a week for continuous process factories
Do between 5- 0 a.m. and 7 p.m.	10 hours a day between 6 a.m. and 7 p.m. Weekly hours same as for a male adult	Same as above but between 6 and 7 p.m.

hours in seasonal factories. To this will have to be added the time of travel required for joining duty and returning home. A worker has to stay away from his home for so much of time as is required for employment and travel between place of work and his home and only the rest of the period of day can be utilised by him for his private affairs, personal matters and rest etc. This period of absence from home is reduced to the extent the total spread-over is reduced than specified by statute by reducing (a) daily hours of work, without reducing weekly

working hours and/or (b) intermediate rest period during hours. It is left to the choice of the employers and employees to adjust it to suit their mutual convenience. Different practices are adopted at different places to suit the circumstances.

For perennial factories, the intermediate rest period can be of the duration of maximum  $1\frac{1}{2}$  to  $2\frac{1}{2}$  hours, the limit of daily working hours being maximum 9 and minimum 8 and the maximum spread over period being  $10\frac{1}{2}$  hours. The weekly working hours limit for perennial factories being 48 hours only, if week-end working-day is desired by the workers to be shortened provided it suits the circumstances and exigencies of the works permit, the best combination shall be 8 hours 40 minutes work on each of the 5 week-days and 4 hours 40 minutes work on week-end day. If the daily working hours are kept more than  $8\frac{1}{2}$  hours minimum one hour's intermediate rest either of one period after six hours working or of two periods of half an hour each is necessary and, where work is done for only 8 hours in a day such rest period may be of half an hour only after a maximum working of 5 hours (see section 37). Accordingly, the limit of spread over of hours of work and intermediate rest can be shortened. The minimum duration of intermediate rest as provided by statute is sufficient and convenient for workers who come to work in factory from long distances and who need enough time to go to and return from factory in travel, as in such cases the workers take their meals from home along with them and take only light refreshment during intermediate rest period and they take full meals only at their home. While in case of workers, who reside within the factory colony attached with the factory or at places not far away from the factory, they generally go home during intermediate rest period and take their mid-day full meal and the minimum statutory intermediate rest period is not enough for them. Hence it should be a

minimum of  $\frac{1}{2}$  to 2 hours. By doing so, their total absence from home for employment would not exceed that of the workers who come from long distances and hence the inconvenience of this slightly wider spread-over would amply compensate in form of longer intermediate rest after full meals, which from medical point of view, is absolutely necessary. There is no doubt that further reduction of one hour in their daily working hours would afford great relief, which without reducing their intermediate rest period would decrease the spread-over period and will allow them enough time to utilise in their private work, recreation etc. But the circumstances in the country do not yet appear to be mature for the proposal. Unless facilities for education, recreation etc. are available, further reduction in working hours is not going to benefit the working class appreciably.

In seasonal factories, the daily and weekly working limits are 10 hours and 50 hours respectively. Accordingly, if 5 days in a week are worked, the daily working hours shall be 10 and the minimum intermediate rest must be 1 hour and the total spread-over shall be of 11 hours against a maximum of  $11\frac{1}{2}$  hours permitted by statute. But in such case, working beyond 9 hours a day will have to be paid for at overtime wages at twice the normal rate as per section 47. If the daily working hours on 5 week days are kept at 9 and on the week-end day at 5, and intermediate rest period is not increased beyond 1 hour being minimum specified by statute, the spread-over on 5 week days shall remain 10 hours and on 1 week day, it shall be only 5. The third alternative may be 8 hours 20 minutes work on each of the 6 week days in a week with normal intermediate rest as prescribed by statute. The necessity of increase in intermediate rest period depends on circumstances as discussed in foregoing paragraph.

In continuous process factories, 8 hours daily working and 56 hours weekly working is permitted by statute. The working is arranged in shift cycle in such a manner that each worker gets periodical rest of continuous 24 hours as prescribed in statute which in practice, includes day time from sunrise to sunset. Here the spread-over is normally 8 hours only with required amount of rest. In the latest amendment, it is provided that such work of more than 48 hours a week is to be paid for at the rate of overtime wages which is twice the normal rate. Continuous process factories are generally specialised processes for which trained persons are scarce in the country. The day being of 24 hours, the shift cycles can consist of either 3 shifts of 8 hours each or 4 shifts of 6 hours each and all the 7 days in a week will have to be worked. As the circumstances in the country do not yet appear to be mature for 42 weekly working hours, the Legislatures thought it fit to retain 56 weekly working hours for continuous process factories so that they may continue the arrangement of the shift cycle of 8 hours each. But to avoid discrimination with other workers who will work for 48 hours a week, they have provided overtime wages at twice the normal rate for work beyond 48 hours work in a week for such shift workers.

The working hours, duration of each period work, duration of intermediate rest period and spread-over should not be same for all types of industries. A Commission should be appointed to study the factory conditions of each type of industry as to how much physical and/or mental exertion is required to be done in the work and what are the atmospheric conditions at different places which affect the health of the worker, and they should make necessary recommendations for the purpose.

The tendency of the workers, like that in foreign countries, is to have the working hours reduced on the

Fri. Sat. Sun. Mon. Tues. Wed.

A B C A B C A B C A B C A B C A B C

D	D	D	D r r	r r D	so on and so forth
D	D	D	D	D	
r r D	D	D	D	D	

D	D	D	D D D	D	so on and so forth
D	D	D	D	D	
D	D	D r r r	r D		

TABLE IV

D	D	D D D	D	r r r	r D
r r r	r D	D	D	D D D	D
D D D	D	r r r	r D	D	D



week.end.day. This is also necessary for recreation etc. But some bad elements are likely to misuse the facility by being present on half working day and by being absent on full working day specially immediately after the holiday and thus earning full day wages by working half day on week.end.day and lose one day wages for a full working day. To avoid this difficulty, wages shall have to be fixed on hourly basis for such cases. Where daily working hours of all the working week.days are equal, wages on per day basis will not create any difficulty.

Another controversy has arisen with the insertion of Section 35A concerning Compensatory Holidays, in the course of the recent Amendment of the Factories Act enforced from the 1st of January, this year. Prior to this amendment the shift cycle arrangement, in all continuous process factories has been according to Table No. I of the Schedule attached. At some places shift cycle arrangement according to Table No. II may also have been in use. Both the Tables provide 24 consecutive hours rest in each 14 days to each worker as required by Factories Rules. Table No. I provides such rest not of a complete calendar day, while Table No. II does so. According to Table No. II each shift once in 12 days had to work for 16 hours in one calendar day spread over two periods of 8 hours each with a rest interval of 8 hours. This needed overtime payment according to Section 47.

Since Section 35A of Compensatory Holidays has been introduced, it has become necessary to provide the shift workers with 24 consecutive hours rest every week instead of each 14 days. To meet with this requirement Tables No. III and IV have been introduced. The executive authorities have not yet decided whether such 24 consecutive hours rest, to meet with the provision of Section 35A of Compensatory Holiday, should necessarily be of a calendar day beginning from midnight to midnight



or otherwise. If it must necessarily be for a calendar day, Table No. IV may serve the purpose, but it is not possible to do, so without infringing the Factories Rules of most of the Provinces, where 16 hours work in one calendar day is not permitted. Even if the Factories Rules in all Provinces are amended in a manner that 16 hours work in continuous process factories is permitted in 2 periods of 8 hours each with a rest interval of 8 hours it would be injurious to the workers. They will have to attend the duties, first in night time in A shift from midnight to morning and then again in the afternoon after rest interval of 8 hours, during which period they have to pass a considerable time in taking bath and attending other morning duties called upon by nature and in arranging their meals etc. and due to the day time disturbances they cannot have sound rest and sleep to allay the fatigue and make themselves fit to attend to work again. If they go to work, tired and sleepy, either they will subject themselves to some accident with the moving machines or spoil the products, in both cases affecting their career.

Hence, the only best course is to adopt shift cycle arrangement according to Table III and to amend the Factories Holiday Rules in such a manner that 24 consecutive hours rest, in case of shift workers in continuous process factories is deemed to be a holiday within the meaning of Section 35A.

## CHAPTER XX ,

### EFFICIENCY AND LABOUR IN INDIA

*By David Abraham*

The word "Efficiency" is defined in many ways. The dictionaries define "Efficiency" as the science of being effective, the power to produce desired results. Efficiency is a very old science.

It was practised by the builders of the tower of Babel which existed about 8000 years ago. It is said that the builders of this tower had found a very efficient system of constructing edifices and they had planned this tower to be so high as to reach the skies. This efficiency system was possible because there was only one language spoken by the builders. Thinking that the builders might climb the tower of Babel and reach Heaven, God foiled all their plans by changing their language.

India was well known for Efficiency and Industry at a time when the West of Europe, the birth place of the modern industrial system, was inhabited by uncivilised tribes. Says Thornton: 'Ere the pyramids looked down upon the valley of the Nile, when Greece and Italy, those cradles of European civilisation nursed only the tenants of the wilderness, India was the seat of wealth and grandeur. A busy population had covered the land with the marks of industry; rich crops of the most coveted productions of nature annually rewarded the toil of the husbandman. Skilled artisans converted the rude products of the soil into fabrics of unrivalled delicacy and beauty. Architects and sculptors joined in constructing works, the solidity of which has not, in some instances, been overcome by the evolution of thousands of years.' Professor Weber wrote, 'The

skill of the Indians in the production of delicate woven fabrics in the mixing of colours, the working of metals and precious stones and in all manner of technical arts has from very early times enjoyed a world-wide celebrity.”<sup>1</sup>

It is not our purpose in this paper to mention the political, social and economic causes which led to the decay of industries in India but we would point out that it is these causes which led to the deterioration of the physical and mental faculties of the industrial workers in India.

When we compare the industrial worker in ancient India with the one of to-day, we find a marked difference. In ancient India, the industrial worker was well provided for mentally, physically and spiritually. He was better housed, better clothed, better fed, his children were better looked after, there was no fear of unemployment, no fear of starvation, no oppression of hard taskmasters. Under an atmosphere of free will and security, free from the worries of feeding his family, he could concentrate his utmost on his work. He worked not as a hireling, but as a master, proud of his art, his job and his employer. And what is the industrial worker in India to-day? He is under-nourished, unhealthy, badly housed, always in debt and unfit to bear the strain and stress of industrial life. If we examine his daily food we find that he lives mostly on cereals as he cannot afford with his scanty wages to include vegetables, milk, ghee, eggs and meat in his daily diet. Cereals alone cannot produce the energy required for his daily strenuous work as they contain a large percentage of carbohydrates which oxidise very rapidly. “Sustained Energy” or “Stamina” as it is commonly called is very necessary for heavy manual work and this is generated by proteins, minerals, fats and vitamins. The Indian industrial worker’s daily food is lacking in these nutrients

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<sup>1</sup> P. K. R. Rao, *Decay of Indian Industries*, p. 3.

which are available in abundance in milk, eggs, mutton, fruits and vegetables.

Exhaustive studies have been made by the International Labour Office, the Textile Labour Inquiry Committee, Dr. Radhakamal Mukerjee, Dr. Anwar Iqbal Qureshi, and others of food values, the Indian dietary standard requirements, cooking methods and Indian labour family budgets. The conclusions drawn by them are 'that the Indian worker's dietary is inadequate in its calorific value and is ill-balanced, and that the percentage of expenditure on such necessities as foodstuffs, clothing and fuel constitutes more than half of his total expenditure. The bulk of calories in the Indian working class diet is derived from cereals and pulses—on the average 10% of the total calories needed are obtained from proteins among the Indian working class as compared with 15 to 19% in European diets and about 75% on an average from carbohydrates as compared with 50% in Western diets. The Indian industrial worker of today is an off-spring of past history. He is a creature of circumstances and is moulded from day to day by our changing political, social and economic policies. History shows that for the last 300 years the Indian worker has been very badly neglected and although Government, philanthropists, economists and labour unionists have lately come forward to improve his lot, his condition remains on the whole unchanged. No efforts have yet been made to regard the Indian industrial worker as an individual and his family as a national unit.

Amongst the organised industries in India the textile industry occupies the first position, but the workers in this industry are none the better in efficiency than their brethren in other industries.

If we ask an owner or an officer of any Indian textile mill to explain the cause of inefficiency in his

mill, he will immediately say that it is due to the inefficient Indian worker. There are several charges made against the latter. "It is said that the textile mill worker is incurably inefficient—the output of his work is considerably less than that of his brethren in Western countries. He takes no interest in the work given to him. He is incapable of sustained work. He frequently absents himself from work. He wastes a lot of time while on work. Discipline is unknown to him. He has very bad ways of living and any increase in his wages is likely to be spent more in absenting himself from work than in increasing his standard of living. These charges are absolutely true and with such workers it is not possible at all to improve the Indian Textile Industry. If we study the private life of the worker we find that he lives in an overcrowded house. His diet is far from satisfactory. His dress is less than adequate and he is indebted beyond his means. A stage is soon reached in his life when he no longer works for himself but for his creditors and life becomes a monotony. The worker ceases to take interest in life and is reckless in his behaviour. He finds an escape from his hunderum existence by taking to drink and bad habits."

A personal enquiry made by the writer into the family budgets of 100 workers in the cotton mills in Sholapur has revealed that almost all these workers were hopelessly in debt. "What will you do", the writer asked a mill hand while he was having this inquiry, "when the debts which you are incurring will become unbearable and when you find that you cannot escape from the Pathan and the Marwadi?" The answer was, "I shall run away to Bombay or Ahmedabad". This is one of the reasons why the Indian worker migrates from one industrial town to another so frequently.

The Indian industrial worker lives for the sake of living. There is no future for him at all. In a

large percentage of the workers the wages throughout their working careers remain more or less the same. The son has many a time to start his career with a big burden of his father's debt to pay and his large family of children to support and thus the wheels of fate continue pounding the worker from generation to generation.

• Lack of interest leads to irresponsibility, and irresponsibility is one of the main causes of absenteeism in Indian industries. The following are some of the main reasons for which the workers remain absent. We may classify them as (a) Environmental and (b) Personal.

(a) *Environmental*

- (1) Going to native place.
- (2) To attend to guests and relatives.
- (3) Food ration work.
- (4) Domestic quarrels or affairs.
- (5) Postal work. This is usually on and after the pay day for remitting money orders to native places.
- (6) Marketing.
- (7) Attending as a witness in the court.
- (8) Marriage and Funeral ceremonies.
- (9) Sickness of family members.

(b) *Personal*

- (1) Religious work, Darshans and pilgrimage.
- (2) Illness.
- (3) Sluggishness.
- (4) Attending wrestling matches and fairs.

The workers remain absent mostly for environmental causes. For instance, in Bombay and Ahmedabad where the labour is mostly imported from other towns in India the absenteeism is much less than in Sholapur where the labour is mostly local.

Local workers have more attraction for the home and its environment than the Perdeshis or workers from other towns and hence they like to stay at

home for paltry reasons. If we study the environments in which the workers pass their time we find that the chawls in which they live are most repulsive. The rooms are hardly 10 feet by 10 feet and lack in fresh air and light. Limitation of space and high land values are responsible for much of the congestion in the large cities. The house rent is exorbitant and claims 15 to 25 per cent of the total income of the workers. In a place like Bombay, food alone costs 55 to 65 per cent. of the workers' incomes and rent 25 per cent. This leaves only 15 per cent. for all his additional need and paying off a heavy burden of debt. In his desperate need for economy the worker invites others to share his small room. This results in a very serious overcrowding. Good houses mean the possibility of home life, happiness and health; bad houses spell squalour, drink, disease, immorality, crime, and in the end demand hospitals, prisons and asylums in which we seek to hide away the human derelicts of society that are largely the results of society's own neglect.<sup>2</sup> Insufficient and bad housing is also one of the factors responsible for industrial unrest. One of the greatest evils is the heavy infant mortality in slum areas. Lastly the appalling conditions of chawl life and absence of privacy have also a deterrent effect on those who wish to bring their families with them to the towns and have thus in general, a very unsettling effect on the stability and inefficiency of labour.<sup>3</sup>

The inefficiency of the Indian worker is, in no small measure, due to certain conditions for which he cannot be held responsible. Among them are (1) the lack of scientific management, (2) the lack of high ethical standards of business, and (3) the hot and humid environment.

<sup>2</sup> Jathar and Beri, *Indian Economics*, Vol. II, p 104.

<sup>3</sup> *Ibid*, p. 104.

(i) There is a conspicuous absence of scientific management in Indian industries. Scientific management aims at better and greater production at least labour cost but with higher wages, in the end benefiting the employer by higher profits, the labourer by higher wages and the consumer by cheaper commodities. An immediate planning for the introduction of scientific management in Indian industries is very necessary. It is worth while noting the following remarks made by the group of industrialists who returned to India towards the end of August 1945 after a tour of England and the United States of America: "We have come back more than ever convinced that only by means of large-scale industries backed by massive scientific research and education, can India help to emerge from her poverty and distress and rapidly build up the higher standard of living to which her people are entitled and so desperately aspire." They further state regarding efficiency and modernisation of Indian industries, "We were much impressed by the improvements in technique and the scientific advances effected in both countries in recent years and by the indication of the further rapid progress exhibited in the future. The immense complexity of modern industry, particularly in the engineering and chemical fields, and the rapid progress made in them from year to year as a result of research, have convinced us that if India's industrialisation is to be as speedy as public opinion and her economic situation demand, we should unhesitatingly seek to import ready-made technique and industrial know how from these two countries."<sup>1</sup>

(ii) Efficiency as understood in India to-day means highest production with the least wages and low quality of raw material. High ethical standards of business are an immediate need in our industries. Mr. N. G. Deodhar of Lakhshmi Cotton Mills, Sholapur, who has made an intimate study of the



Platt Report says that "the American industry could reduce plenty of labour because of the use of better grade cotton and high twist factor which together gave a strong yarn with breakages as low as 30.35 per 1000 spindles in Ring Department resulting in all-round improvement and efficiency working and yielding higher p. m. h." Mr. Deodhar urges the millowners to have standard qualities of standard yarn twist and strength and uniform quality of cotton. These factors he says will greatly help in bringing up the efficiency in Indian Mills.<sup>5</sup> Adulteration of raw materials to produce cheaper commodities is found in many industries in India. It is very essential that we improve the standard of our business morality which seems to have lately gone down because of a desire to profit by hocus-pocus methods.

(iii) It is a well-known fact that tropical climate weakens the will, and with a weak will, it is not possible to concentrate continuously for nine long hours on one's work. This explains the loitering nature of the Indian workers, their disinclination to work continuously and frequent absence from work. The Indian Factory Commission of 1908 remarked that while the Indian factory worker may work hard for a comparatively short period his natural inclination is to spread the work he has to do over a long period of time working in a leisurely manner throughout and taking intervals of rest whenever he feels disinclined for further exertion. Reduction of the working hours from 9 to 7½ will greatly help in decreasing the loitering habit of the worker. For example, the loitering habit is conspicuously less in Calcutta Jute Mills where the labourers work short hours owing to the shift system. In some of the engineering workshops there is also not much complaint of loitering as hours of work seldom

<sup>5</sup> N. G. Deodhar, *Reduce Yarn Breakage*, in the Indian Textile Journal, October 1946, p. 71.

exceed 8 a day. The compulsory 8 hours shift has come into force from August 1st 1946 and it is really a great relief to the workers in Indian Cotton Mills and in other industries.

It is my opinion that the Indian industries will never be able to reach the European and American standard of efficiency even if they try to copy in detail their technique, moral ethics and industrial methods. This is because of the hot and humid climate in India. A study made by Messrs. L. W. Eichna, W. F. Ashi, W. B. Beau and W. B. Shelley of the physiological effect of hot and humid environments on the workers is worthy of note. The study has revealed that at wet bulb temperatures below 91 deg. F. men worked efficiently and easily and with only mild physiological changes. At wet bulb temperatures of 91 deg. to 94 deg. F. prolonged and moderately hard work can be done, but with difficulty and inefficiency and men may become heat casualties. At wet bulb temperatures of 94 deg. F. or above most men are soon disabled by moderately hard work and they exhibit disturbing physiological changes. At limiting temperatures there is very profuse sweating from 2 to 3.5 litres per hour.<sup>6</sup>

In view of the above experiment we may well imagine the condition of the workers in the cotton mills in Sholapur, Cawnpore, and Ahmedabad in the hot months of April and May and in the Tata Steel Works at Jamshedpur.

In this short paper I have only touched upon the general aspects of labour efficiency in India. Students of Indian economics have already made specialised studies of the various aspects of this subject such as better housing, living wage energy requirements, higher standard of living, social welfare, unemployment insurance, controlled rationalisation, etc. They

<sup>6</sup> Eichna and others, *Hot and Humid Environments* in *Journal of Industrial Hygiene and Toxicology*, 1940, Vol. 25, pp. 59-84.

have also suggested plans for the solution of these problems. It is, however, necessary to gather together all these studies and evolve a workable 15-year plan for the improvement of labour and industry in India.

In formulating this 15-year plan, we should consider the following two main points: (i) the physical, mental and moral poverty of the Indian worker; and (ii) the managerial outlook on labour and industry.

Dr. Hurry in his book *Poverty and Its Vicious Circles* says that all vices originate from poverty. He says that poverty is of a nature of a self-perpetuating disease that attacks individuals or sections of a community generating a vicious circle which must be broken at its weakest point. He gives seven diagrams in his book of concurrent circles of poverty out of which the following two groups are important:—

*Group No. 1:—Poverty—Defective education—inefficiency—defective clothing—less eligibility—defective feeding—malnutritious—Low wages—defective housing—ill health—unemployment.*

*Group No. 2:—Poverty—Purchase in small quantities—enhanced cost—Recklessness—Numerous family—diminished credit—borrowing—high interest—Alcoholism—inefficiency—loss of situation.<sup>7</sup>*

In our 15-year plan of labour welfare we should aim at breaking the weakest points of poverty which is defective education in Group No. 1 and purchase of small quantities or low standard of living in Group No. 2 of Dr. Hurry's poverty circles.

Mass education of the workers on rational basis is very necessary for removing poverty of the body, mind and soul. True education

<sup>7</sup> Quoted by S. N. Pherwani, *Social Efficiency*, pp. 72-73.

consists in developing these three constituents of man.

It is not possible to perfectly educate the present worker for he has degenerated considerably due to continual neglect in the past. Educating him is like reconditioning an old worn-out machine. The only way to build up a strong and efficient labour force in India is to educate the children of the present labourers. From the very beginning they should be provided with an industrial bias and a taste for industrial life.

The present managerial outlook on labour in India also needs a change, for the labourer is becoming more and more conscious of his rights. He feels that as an individual he should have freedom of thought, speech and assembly, freedom of movement and freedom from aggression. He desires opportunity to work and to receive such economic return for his labour as will enable him to provide himself and his family with nourishment, covering, medical care, and some amount of leisure. The treatment given to the Indian workers in the past by employers has created in them a hatred for industrial life with the result that the employer-employee relations have become strained.

For creating a permanent working class and to improve the character and efficiency of the Indian worker State control is very necessary. Says Prof. Ward, "the resources of our society may be enormously increased by abolishing poverty, by reducing the hours of work and by making all its members comfortable and secure in their economic relations. Any sacrifice that society might make in securing these ends would be many times repaid by actual contributions that the few really talented among the hundreds thus benefited would make to social welfare, for talent is distributed all through the great mass in the same proportions as it exists in the much smaller well-to-do or wealthy class and the main reason why

the latter contribute more is because their economic condition affords them opportunity.”<sup>8</sup>

Productive efficiency is the ratio of actual production of an individual or society to the reasonably attainable maximum and optimum of production. Our workers do not produce their best and utmost, and it is only when each of them produces his best and utmost for the largest time and to the greatest satisfaction of all concerned, that their efficiency will be highest.

<sup>8</sup> Quoted in *ibid*, p. 283.

## CHAPTER XXI

# MENTAL HYGIENE IN BUSINESS AND INDUSTRY

*By K. R. Masani*

•In this note, a summary is given in brief regarding the scope and value of the application of Mental Hygiene in business and industry and the way mental hygiene can contribute to harmonious relations between employer and employee, to greater efficiency in an industrial organisation, to increased productivity and the saving of preventable expenditure at the same time as bringing about healthy and improved working conditions for the employee.

It goes without saying that in adult life, the home and the daily occupation where a man spends most part of his days are the environments which effect and shape his personality. After full maturity no other conditions are of greater importance to the physical and mental health and the social welfare of the individual and society at large than those in which he spends eight hours or more of his day in work.

It is easy to see that if a person is fortunate enough to work under healthy conditions at an occupation which he really likes, for which he is suited, and at which he is fairly successful, he will be much more mentally healthy and robust and will be able to withstand most of the stresses and strains which he will encounter in other spheres of life. It goes without saying, therefore, that from the point of view of the worker's health, in view of the fact that an entire third or more of the worker's daily life is spent at work, earnest consideration should be given by industrial leaders to the mental health of the workers.

It is not only on account of this humanitarian aspect of the question that industrialists should utilize mental hygiene services in an industrial organisation, although this by itself should be sufficient reason for doing so. However, as it happens, the industrial leader gains as much, if not more, by the utilisation of Mental Hygiene personnel in his organisation. Such utilisation leads to happy and harmonious relations between employer and employee ; increased industrial efficiency and increased output of all workers in general, as well as increasing the output of those working below par ; the detection and treatment of individuals particularly prone to industrial accidents, thus saving large sums of compensation money ; diminution in the number of problem workers through psychiatric and psychiatric social work treatment; and finally results in saving to the industry of large sums of compensation paid out in regard to chronic absenteeism, since a very large proportion of such long-term absenteeism is due to functional nervous disorders (psychoneuroses), including common physical symptoms due to psychological causes.

In contrast to the economic aspects of the relationship between employer and employee, where a clash of interest is usually to be found, it is refreshing to turn to mental hygiene aspects of industry where there is no such clash, and where both employer and employee stand to benefit by the employment of Mental Hygiene personnel.

Turning now to a consideration of the specific form of mental health and mental hygiene work in industry and business which while improving the lot of the workers, is also beneficial to the industrialists, the following further particulars would be of interest.

**Unsatisfactory Output of Work.** An outstanding problem which causes grave concern to industrial leaders is the one of unsatisfactory output of work among a large proportion of the workers, and the

related problem of selecting and maintaining a force of workers who are business assets rather than liabilities.

There is little doubt that thousands of workers who fail to be averagely efficient in their work are failing not because of work conditions, but because of physical and mental diseases and defects, and because of personality and character disorders and maladjustments which were present long before such workers joined the particular industrial concern. The gain to the industrial or business concern by utilising Vocational Selection becomes at once obvious as individuals of this type could be detected at the time of application for work. It is equally certain that another large proportion of workers work below par because of current worries and anxieties and insecurities caused by difficulties in life in general or due to difficulties and frustrations encountered in the particular industrial concern or business concern in which they work.

A third and prominent factor responsible for unsatisfactory output and quality of work is the factor of the work and, workers not being suited to each other, the factor of round pegs in square holes.

A fourth consideration of very great importance in regard to output of work of all workers in general is the help derived from time studies by arranging rest pauses and other conditions of work in such a manner as to produce maximum output of work. There are many modifications of the physical environment easy to effect, which at the same time as they cause remarkable increase in their hourly output are conducive to making the working conditions of the employee less trying. Planning campaigns of health and safety education for workers, the estimation by experimental methods of optimum work periods and the arrangements of rest periods without necessarily increasing the time spent in rest; intelligent policies regarding overtime and night work and



relating to vacations ; improved conditions of heating, ventilation, and of the elimination of noise and vibration, etc., are all measures which benefit the worker's health and bring about an increase in the output of work. For example, a company manufacturing temperature regulators by moving its assembly department from a position next to boiler shop to a quieter location, and thereby relieving the mental irritation of the workers, reduced the number of rejections at inspection from 75 per cent to 7 per cent, and led to an increased production from 80 to 110 assembled units per unit of time.

Finally, a last factor contributing to unsatisfactory output of work is the presence of an unduly large proportion of problem workers, many of whom, besides exhibiting difficult behaviour, work below par.

In regard to what has been written above, the services of industrial psychiatrists and psychiatric social workers are mainly required in order to detect and exclude applicants for employment who suffer from mental diseases and defects and character and personality disorders as also to help those who work below par due to nervous and mental strains and in order to treat problem workers, while activities involving Vocational Selection of personnel and the administration of Psychological Tests of Vocational Aptitude and the carrying out of Time Studies and studies on Optimum Rest Pauses, etc., are carried out by Industrial Psychologists.

*Proneness to Industrial Accidents.* Turning to the question of industrial accidents, at the 1932 meeting of Greater New York Safety Congress, it was reported that there were about eleven million annual accidents in factories and that the accident health rate had increased 15% in the seven years ending in 1929. About that time each year, 2,000 American workers lost the sight of one or both eyes, and three

hundred thousand sustained minor eye injuries, resulting in an annual waste of about 50 million dollars, or about 15.20 crores of rupees in time cost. This is for eye accidents only in one year. A very large majority of these accidents are now considered to be entirely preventible when proper safeguards in industry are used.

It was found that a group of ten small companies employing a total of 4,800 workers by employing Group Medical Service on a co-operative basis, were able to effect a very substantial reduction in the number of industrial accidents. The accident rate is still further reduced by the employment of psychiatric and psychological services, as a large number of accidents are caused in individuals with nervous and mental strain or with nervous and mental diseases or with personality difficulties and mental conflicts.

It is easy to understand that workers who have more than the average amount of mental conflict and worry with consequent absentmindedness are more prone, for example, to get their hands or fingers caught in moving machinery. Studies have revealed that about 66% of accidents keep on recurring in only about 33% of the employees, clearly demonstrating that workers with mental conflicts, are very much more liable or prone to accidents. Such accident-prone individuals, with excessive worry and mental preoccupations, need special attention in the shape of psychiatric help. It can easily be seen therefore, how important it is, even to the employer, on grounds of humanity, as also on grounds of effecting a large saving in the payment of compensation for injuries due to industrial accidents to arrange to have a properly qualified industrial psychiatrist, an industrial psychologist, and psychiatric social workers included in the co-operative team of medical services of the organisation.

*Problem Workers.* As regards the extent and incidence of problem workers in industrial concerns

Doctor Anderson, formerly psychiatrist for a company in New York City employing 13,000 workers estimated that approximately 20% of the employees of mercantile establishments are what may be called "problem workers" and thus liabilities to the businessman. It is from this group of problem workers that are drawn mainly, the repeated transfers from job to job, resignations and layoffs. These are the work failures that in the majority of cases are a drag on any organisation.

Such problem employees cause difficulties of varying sorts on account of poor production and bad attitudes such as upsetting morale of the department, disciplinary problems, stupidity, making an excessive amount of errors, indifference, resentment of all authority, day-dreaming and wasting time, to include a few. Many of these unadjusted individuals who represent such a big financial loss in industry are suffering from deep-seated mental conflicts or anxieties which were there a long time prior to their joining the particular industry and which are often due to unhealthy home and school influences during their childhood; in other cases, such mental conflicts and anxieties occur after the worker has joined the particular industry. For example, one employee reported fourteen jobs held during a twelve-year period; while an employee reported that he had tried eighty jobs in two years.

Other behaviour deviations which such problem workers exhibit include excessive fear of those in authority, or resentment towards them, fear of competitive situations, evasion of responsibilities, self-assertion, domination and slave-driving attitude towards those under them, worry and depression, suspiciousness and ideas of being persecuted by others or that others secure promotions by unfair means.

With a great majority of these workers there is no doubt, that a development of psychiatric facilities

within the industry would be of great assistance to it, as it pays in time, money and energy to have the problem employee adequately studied and treated psychiatrically. By such treatment much can be accomplished in modifying attitudes and habits and personality traits of such employees who are thus converted into assets instead of liabilities, thus cutting down turnover among employees and increasing production efficiency as also retaining for the industry specially valuable employees. The problem employee can be adjusted to his work while he continues at his work which leads to saving an enormous amount of money spent otherwise in the replacement, employment and training of new employees, and results in the problem worker becoming more satisfied with himself and others, so turning into an asset not only to the industry but to the community at large. The services of industrial psychiatrists and psychiatric social workers are needed in regard to the treatment of such problem workers.

*Chronic Absenteeism due to Functional Nervous Disorders, including Physical Symptoms caused by Psychological Factors.* Several recent studies on chronic absenteeism have demonstrated clearly that an exceedingly large production of such chronic absenteeism due to functional nervous disorders (psychoneuroses) and likewise physical symptoms based on psychological factors are responsible for a very large proportion of chronic absentees, who keep away from work for long periods. About one-third of workers keeping away for health reasons over long periods of time belong to this category, and the industry loses large sums of money in paying compensation to such psychoneurotic workers. Apart from other reasons, it would, therefore, pay the industry to employ the services of industrial psychiatrists and psychiatric social workers in industrial plants so that such patients can be adequately treated since they fail to respond to the usual kind of general medical treatment.

It can be seen from what has been stated above that the application of Mental Hygiene in industry in the shape of the employment of industrial psychiatrists, industrial psychologists, and psychiatric social workers in industrial plants is beneficial both as regards the individual health and welfare of the worker and also in improving output and quality of work, in reducing accidents and chronic absenteeism and the number of problem workers thus effecting monetary saving to the particular industry concerned. The amount to be spent in providing the Mental Health Services concerned in large industrial and business concerns have always been found to be smaller than the benefits to the industry in the shape of monetary saving. In the case of smaller concerns not being able to afford a Mental Health Service by itself, it has been found perfectly feasible for a group of two or three or more industrial units to share profitably the service of the various personnel that have been mentioned.

In this progressive era of post-war planning and reconstruction in the field of industry and in many other fields, it goes without saying that in every country, industry will naturally arrange for the provision of the services of Mental Hygiene Personnel in industrial units in view of the value of such a measure in benefiting employer and employee alike.

## CHAPTER XXII .

### SOME PROBLEMS OF MORALE OF MILL • LABOURERS

*By Paras Ram*

Factory workers in India, particularly in areas where industrial traditions have not taken root, have their moorings in villages and in the socio-economic system that maintains villages. Only a very insignificant fraction of mill-hands can be called "industrial labour" in the accepted sense of the phrase. The shortage of labour that some factories experience at harvest times shows how deep is the appeal of the village to the workers. No wonder, then, that the reorganization of life that factory enforces on the worker is accepted in a casual and half-hearted manner by him. The main incentive that keeps him tied to the factory is the fear of unemployment. Otherwise, by habit and temperament, he is tied to the village. It is a commonplace observation that man becomes efficient and creative in relation to a situation only when he puts his heart into it. The problem of the morale of the factory labourer is, therefore, to create in him inner zeal and interest in factory work and the type of life he has to live in a factory. Life in an industrial concern enforces on labourers new habits of work and recreation and new ways of saving and spending. Their morale can be built up by educating them to accept these habits cheerfully. If this is achieved we can reasonably hope that they will come to regard factory life not as a temporary camping ground but their permanent habitat. Many primitive communities have their deep-seated religious and aesthetic sentiments attached to the implements they use in manual work. These sen-

timents serve the useful purpose of integrating their professional work and extra-professional activities. Many evils of modern industrial life are due to the fact that men seek professional success in one type of activity and recreation and joy from another kind of activity. Thus there exists a deep gulf between the two lives. What is needed is a new civilization in which manual and mental activities that man employs in earning livelihood also become to him a source of joy and recreation. This is a large and complex problem and has to be faced squarely if we have to build a permanent basis of morale.

*Significance of Morale.* Let us pause here to examine the significance of the notion of morale. The prevailing method of getting work out of a worker is through fear of punishment and temptation of reward. Acts of insubordination, inefficiency and sloth are punished with fine and dismissal. Medals, prizes, promotion and bonuses are offered as reward for good work. But, fear as a method of enforcing discipline has the following defects :—

(i) It is a direct attack on the most important nucleus of human personality, the feeling of self-regard and self-reliance. Most men become mere brutes the moment this sentiment of self-regard is attacked, and fear attacks this sentiment vigorously. Since it is no good etiquette to be a brute in relation to other men, a man who is subjected to fear becomes a coward and hypocrite. He keeps up a show of being efficient and gives the impression of a well-disciplined worker by putting up a robot-like conformity to the externalities of regulations.

(ii) Experimental work on the influence of punishment has shown that it does not improve habits of him who has been subjected to punishment. It does not ordinarily decrease the likelihood of a repetition of a mistake. This is easily understandable. A necessary pre-requisite of learning is

that the learner must be confident of his capabilities. Fear's first victim is the feeling of self-confidence. A man who lacks self-confidence cannot use his capabilities to his advantage.

(iii) Excessive fear makes its victim bold enough to defy the agency inspiring fear. Thus punishment defeats its own purpose and, by creating a negative attitude, fear stops its victim from putting his best in the work. Yet executives spend much of their time in refining and standardizing techniques of punishment. Reward as a method of enforcing discipline is more sound and effective than fear. It does not attack the well-beloved ego of the worker. Rather, it stimulates many other motives such as competition, emulation, etc. The worker, therefore, puts in his best for the sake of something outside the work itself. It fails to make a man work for the sake of work. It embodies none of the advantages of the direct acceptance of responsibility by the individual. It is the direct acceptance of responsibility which is necessary for the complete exploitation of the intellectual and emotional resources of human nature in maintaining industrial efficiency and individual adjustment.

Morale then is a new concept in industry. It implies the individual worker becoming aware of himself as a working entity. The awareness becomes instrumental in such restraints on the individual as help him in efficiency at his job. As will be seen, morale produces steadier and more persistent and, in general, less fluctuating type of behaviour than discipline. Discipline relaxes when fear or reward becomes ineffective or when a particular leader is not there. Men with morale intact, on the other hand, continue to be steady even when the external circumstances create a good many obstacles. A soldier who acquires a sense of mission in his avocation will continue to do his duty even when the emblems are snatched, leaders are killed and a defeat



has been inflicted on his regiment. In a similar manner a worker who values his vocation, will continue to do his best even if the tools with which he has to work are not of the best make and there are other difficulties in his way.

To build the morale of a people is not an easy task. Very slowly and with persistent faith in human nature alone can leaders of industry in this country, substitute morale for discipline. Self-responsibility cannot be acquired in a day. The executives must go through the experience of clearly and acknowledgedly placing in the hands of workers one responsibility after another and they must help them to fulfil these responsibilities one after another by advice and suggestion. The development of morale requires a complete change in the viewpoint of all minor and major executives who must learn to conduct themselves not as bosses but as leaders. The morale demands a complete change in the feelings and intellect of workers. British workers provide the best illustration of a sound morale. They were conscious of the war aims and they brought a vigorous mind to their work. As a consequence, man-hour losses from strikes per year in the World War II were one fifth of the losses in the World War I. This does not mean that the labour has ceased to seek better wages and working conditions. It means that labour is sharing the common weal of the whole country and is prepared to keep the larger interests of the country in view, at the cost of the class advantages. The result is that in certain plants a worker handled three machines instead of the former convention of one worker handling one machine. This is because the labour is convinced that, to get more pay, better homes and more of good things of life, the post-war British Industry must be placed on a sound footing.

Some of the typical signs of a low morale may now be noted. There is, to begin with, the frequent

turn-over in labour, when morale is low. To find an altogether new set of workers every six months is not an unusual sight in certain mills in India. It requires time for a worker to get himself adjusted to a machine. If he leaves his job a new man has to be trained and brought to a certain standard of efficiency. This requires time, and the loss in production resulting from instability of labour is enormous. Increase in the number of accidents in spite of the usual care taken to avoid these, must be charged to the demoralized outlook that the worker brings to the factory. Again, the appearance of certain kinds of cramps, rumours about the alleged dangers to health from certain kinds of work in the factory and general discontent should lead the leaders of industry to look for their cause in low morale.

Improvement in housing conditions and other material environment of workers go a long way towards making them stable and satisfied. It was observed in a certain mill that workers had to spend a good deal of their time in each one cooking for himself, after a day's hard and strenuous work. This fact increased their strain and left no time for rest. The thrifty labourers starved themselves by living on meagre rations. This had a telling effect on their health. As a solution of the problem community kitchens were started and a standard diet was offered to labourers at an economic rate. This resulted in reducing their strain and they could spend three to four hours a day in recreations of various kinds. This fact alone resulted in reducing the labour turn-over and increase in production. Similarly, attendance on Mondays improved in the same factory by 10% when the week-end was made interesting and recreative for them. Again, improvement in the living conditions, change in methods of payment of wages and bonuses, improved circulation of air and illumination in the work-rooms go a long way in making labour steady and stable. The introduction of fatigue and accident eliminating devices, has a

favourable effect on the morale. The fact remains, however, that in spite of the maximum improvement that the management can make in the external circumstances there still remain sources of discontent amongst workers. These sources are essentially psychological and social in character. As a preface to these sources let us first understand the influence of the factory situation on the worker in a general way.

*Influence of the Factory Situation.* The calling one pursues, exercises a profound influence on his mental make-up and determines in a subtle and elusive way his philosophy of life. Habits acquired in the factory, office and in a shop during 8 to 12 hours of work by an individual, colour his life outside and his relation with people. Let us remember that most people try to achieve a sense of worthwhileness from the occupation through which they earn their livelihood and there are very few who depend on love or social success alone for achieving respectability. Naturally enough, then, the factory situation, the building, the tools with which one works, the colleagues and bosses that one has to deal with, all these factors make one what one is. A careful analysis of these influences has been undertaken by psychologists in other lands. Similar surveys are badly needed in this country. Let us scrutinize in a general way the effect of some of these influences on the mill worker in India.

(i) *Workers and the Machine.* The first question that arises in this connection is: What exactly is the influence of the machine\* on the worker? How do Indian workers take to machines? The worker has to manufacture goods of a fixed pattern at a certain speed in a stereotyped manner for eight to twelve hours every day. This does not, of course, apply to all machines and to all machine work. But this is true more or less of the

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\* A machine may be defined as a tool worked by the energy generated by an engine.

machine work in a general way. Now the work at a machine does not involve much muscular strength and physical labour, yet the same set of muscles have to be attuned to work. The labourer has to maintain the same pose. The eyes, the hands, the neck and other parts of the body have to be adjusted to the machine in a certain pose which has to be kept for hours. The human machine has to acquire some of the characteristics of the iron machine, viz., blind, automatic, standardized, stereotyped movements of a particular kind to be performed for hours and hours together. Now, one of the most fundamental human needs is to be the master of a situation to manipulate and control tools which are used in work and to be creative in the situation. Whenever a man fails to be creative in his work he tends to feel bored with himself and with the work in hand. The labourer who before joining the factory was probably an agricultural labourer in the village had probably had better control of the tools and the animals in the village situation than in the factory. High wages and welfare work and medical facilities that he gets in a mill do not compensate for the boredom and monotony of the machine work. The repressing personality and strict regimentation of effort and meagre opportunity afforded for the creative instinct by the factory system make the factory work toilsome and unpleasant.

Again, with intermittent activity that a worker has to do at the machine and at a regular and uniform rate tends to breed a feeling that he has no say in the living of his own life. Hence, he is bound to show certain amount of listlessness and lack of zest. Add to this the fact that the new improvements in the make-up of the machine tend to increase the speed and clatter more. These improvements therefore are likely to increase the strain of labourers and make them feel that they are

subordinate to machinery, dependent on external forces for their activity. This takes away from them the feeling of individuality. The feeling of self-depreciation which is inherent in factory work tends to depress a worker in an unusual manner. The monotony and listlessness in workers produced by the factory situation must be minutely analysed. In the first place, it tends to dull their mind and makes them less alert and sensitive. If we take a long-range view of things, factory system will have a detrimental effect on the human race by narrowing the mental horizon of workers after a few generations. As it is, workers try to escape from this dullness by taking to drink or by becoming easily suggestable to the heroes of the movie pictures or propaganda. The mass unrest amongst workers is due in no small degree to the monotony that the machine produces in them. The monotonous and repetitive machine work however does not affect all the mill workers in the same way. It has been found that the less intelligent and mentally retarded workers love monotonous work and are happy to repeat a particular movement and particular posture of the body for hours together. Women complain less of monotonous work than men. In fact, experience tells us that the more intelligent a labourer the less stable he is in the factory. More than that, the workers of inferior intelligence are steadier than the intelligent worker and are less affected by depression and neurotic trouble. It must also be remembered that the feeling of boredom and monotony is determined both by the machine and by the temperament of the individual worker. Some men never experience boredom. Even if they have to do the most boring task, they create side mental interest to absorb their spare energy. Others throw themselves so completely in the monotonous movements of the machine that what appears to others as a dull uniform movement, becomes for them a creative task.

That all factory work is not merely mechanical and repetitive, need not be stressed. A worker has not only to know the specific job that he is doing. He must also know the whole plant so that he may understand the setting of the job that has fallen to his lot. He has, therefore, to have sufficient intelligence to understand the complicated machine of which he is a part. Barring a few exceptions all the jobs in a factory require of the workers adequate information and intelligence about science in general and about mechanics in particular. No man can feel at home in a factory without this basic intellectual equipment.

*Habits of Work.* A labourer on land is free to choose his hours of work and rest within certain limits. On entering the factory he has to learn to work by the clock at a certain speed and under supervision. Most of the factory work is of the routine type and is likely to be boring and monotonous. Many workers on entering the factory find the new habits of work distasteful and repulsive. 'Absenteeism' amongst certain workers is nothing but their regression to the old rural ways of working at will. Many grass-cutters who joined the factory under temptation of increased wages could not stick to the new job for a very long period because they found that they could not take to smoking and relaxation after brief intervals in the factory as they did in the village. The only way of finding solace from work at high pressure in the factory is an occasional "french leave." Again factory work is bound to be more straining and boring than farm work because of the duration and speed with which it has to be done. Researches on time and motion involved in various industrial operations and the work done on the problems of skill and fatigue have added to our knowledge of methods and devices by which manual work can be made more joyful and less fatiguing. An application of these findings to

the factory work in India will go a long way towards helping workers to adjust themselves to the machine.

*Lack of Individuation.* Industrial life stimulates a certain amount of individuation. The whole system of wage payment, promotion, etc., is based on the assumption that a worker is prompted to efficiency by keeping in view the economic gain that comes to him from work. Foundations of the village social system are such as provide no occasion for competition and individual initiative and individual responsibility. Professional pride in keeping one's implements in the best condition and a certain amount of zeal for acquiring proficiency in the work in hand are found amongst workers here and there. A large number of them, however, are so much absorbed in their village social ties that they are left with no initiative for personal gain and distinction. Hence the acquiring of professional skill becomes of secondary importance to them.

*Paucity of Social Relations.* That man is a social animal is a truism. Many abilities and talents of an individual are stimulated to growth by rich social relations. When a worker comes to stay in an industrial concern, many of his social ties are suddenly clipped and there may be nothing in the factory to replace these ties. A man who is somebody in his little community becomes a mere "hand" in the factory. This produces a certain amount of strain on him. No wonder, then, that the factory environment has an air of strangeness for him. In short, urbanization of the village population creates new problems of human adjustment and these problems must be solved in a scientific manner if factory life is to become acceptable to labourer.

*Influence of Social Relations and Social Sentiment.* It is usually held that the desire for personal material gain is the basis of all economic activities and that the morale of a people can be built up by appealing

to this desire. This has been the basic psychological generalization of the classical economics and this has proved to be a brilliant success. Modern industrial organisation has been built up on this assumption mainly. Man, however, acts not merely to acquire a maximum of material gain for himself. His social sentiment and his consciousness of other human beings have a tremendous influence over his economic activities. It may also be mentioned that these human and social motives are not subordinate to his desire for personal material gain. These motives operate in their own right and are independent of the expectations of a material gain. How effective social sentiments can be in accelerating and retarding the output, will be clear from the following examples taken from T. N. Whitehead's book entitled *Leadership in a Free Society* :—

“Five young women were engaged in independent but similar tasks of routine assembling. These girls worked in the same room and worked under a similar wage-payment system. The output of work of this group increased as the social contact between the various members of the group increased. When on account of family circumstances one member of the group remained absent a decrease in the amount of output immediately followed. The main incentive for the increase in output was the friendly relations that developed between these five workers. It may be mentioned here that no supervision was maintained over these workers. In contrast with these was another group which was strictly supervised. As a result, certain conventions and practices were developed by the workers which aimed at keeping down the output of work to the lowest limit set by the management.” These observations bring out the importance of informal social relations in the output. These relations release tremendous energy for work which external supervision cannot do. The tendency towards individuation is not so strong in India as it is in America and England and therefore



social motives count much more in increasing production in this country than is often realized.

*Group Foundation amongst Workers.* As an illustration of the force of social motives let us take notice of the influence that a leader wields over his men in industrial situation. Let us take the example of a foreman or jobber who supervises the work of a number of men committed to his charge. These men get so much attached to him that they cannot think of themselves except as his men. A popular jobber in a factory had once to be away on a long leave and his successor found it difficult to inspire confidence in the men under him. These disgruntled people began looking for an opportunity to give vent to their emotions which had undoubtedly been released on account of the absence of their leader. They found it when a new man attached to the group was charged with negligence of duty. This released loud protestation and hysterical shrieks. Some of their remarks are recorded below "Ever since Mast Ram (the jobber) left this mill the whole management is going to pieces;" "This place has lost all charm for me;" "If he is not coming, we shall look for work elsewhere." Evidently, these workers had a very weak ego and could not think of themselves doing anything in their own right. One of the most difficult jobs is to discipline an arrogant foreman. He is very much conscious of his influence over his men and knows that he can bring a temporary fall in production by withdrawing his men from the factory. If such a foreman is penalized or discharged for his delinquencies his men resort to strike. In industrially backward areas where there is a shortage of labour such a foreman causes a good deal of anxiety to the millowners and management. While dealing with grievances of a group of labourers the writer was plainly told that they would quit work the moment their leader was sacked or punished.

As will be seen, this attachment of followers to the leader is a force which can work for good as well as for evil. It can increase the output of work and it can create a deadlock as well. Actually the whole situation is pathological because the workers here are foreman-centred and not objective and work-centred in their outlook. A certain amount of over-valuation of the leader is unavoidable and is useful as well. The excessive rapport noticed in some mills, however, needs remedial measures. It shows that workers have very few interests in life. They are still at that stage of mental development where the only serious business of life is to react to parental approbation and displeasures.

Why should there be such a rapport between workers and the foreman has to be inquired into. Most of these workers are drawn from villages. A factory worker from the village earning and enjoying the luxuries available in cities becomes an object of envy to youngmen in his neighbourhood. They make their first adventure to the city in the company of this successful worker. Moving away from the village to the city for them is like a little baby's first attempt to go out of the house. Moving away from the mother brings about a certain amount of anxiety which is relieved by him. Hence he is valued as a parent. He does his bit to find a job for them under his care and helps them in moments of difficulty. Many of their social contacts are cut in the act of moving from the village and this very fact makes them feel attached to this senior worker. Thus a foreman by gathering round him young people from his own locality and by taking parental interest in them becomes their leader. If he is a normal man, free from neurotic traits, he will make no special effort to win them to himself. If he is interested in his professional work he will impart the same interest to his followers. On the other hand, if he is suffering from a neurotic trouble he will seek security from his own followers by exercising a

rigorous control over them. A neurotic leader promotes introversion in his followers and unless he can do it successfully he feels very much perturbed. He is able to face the management and make them yield to his sadistic impulses with the aid of his followers.

A neurotic foreman is jealous of his fellow foremen. If they show the slightest improvement in their work he gets fits of jealousy. That starts the process of each foreman forming his own party. What, in essence, is jealousy between two individuals becomes at last jealousy between two groups. What feeds this jealousy is the narrow range of interests of foremen and the workers under their charge and their weak and unstable ego-development. In short, group formation for a neurotic foreman becomes a compensation for his own lack of self-confidence. An industrial organization requires co-operation and harmony amongst the various processes of manufacture. If this co-operation is not coming forth, fall in production is certain. Only those people can fit in industry who can readily give this co-operation. Those who are engrossed in their personal emotional problems are unable to grasp the meaning of this harmony and co-operation. They use their skill and ability as a symbol to satisfy their infantile impulses. Can this process of group formation be utilized to build up morale?

*Jealousy.* As has been pointed out above jealousy plays a significant role in stimulating hostility between groups. Those who are familiar with factory work know well that workers under a fit of jealousy sometimes do not hesitate to place a machine out of order to give vent to their pent-up base emotions. This happens to individuals as well as to groups. A group of workers under an imaginary grievance against the management of showing favour to another group tried to put all kinds of obstacles in the way of the rival group. If a group is dominated by jealousy it becomes incapable of offering co-operation to other groups and this co-operation is absolutely necessary

for smooth work in a mill. It is desirable, therefore, that in the interest of developing morale and efficiency amongst labourers, jealousy should be replaced by a wholesome social sentiment. This can be done by giving a desirable kind of leadership to the group. If jealousy remains the general tone of a group, it can be harmful in the following manner :— (1) It stimulates in one a feeling of self-depreciation in relation to other men who come in contact with him. A jealous person is unable to manipulate effectively a situation to his advantage on account of self-humiliation which is inherently present in fits of jealousies. (2) This reduced feeling of self-elation releases a large quantity of aggression which manifests itself in a destructive manner. (3) Forgetting his role in relation to other workers, a jealous individual fails to be co-operative. Jealousy must be distinguished from rivalry. The feeling of self-depreciation, the attitude of destructiveness and inability to take work from others are present in a jealousy situation and are not so prominent in rivalry. As will be seen readily, a frequent manifestation of jealousy is a challenge to the stability and morale of labourer.

*Other Forms of Emotional Maladjustments.* Besides jealousy there are other forms of emotional maladies frequently shown by workers. Of these, a mild form of self-pity is the most prevalent. The most common slogan of this malady is 'No one looks after the poor and no one lets the poor mill-worker have a moment of ease.' The cinema industry has commercially exploited this slogan to the fullest extent to attract workers to the cinema halls. After witnessing a parade of this emotion in the cinema hall the workers really begin to feel that they are the most helpless and miserable creatures on earth. No one denies the reality of unfavourable circumstances under which labourers work. Yet the deepening of the sense of self-pity is no solution of

the problem. On the other hand, this emotion paralyses the capacity to take delight in the day to day work and makes them unfit to assert themselves. The emotion of self pity resembles depressive insanity in many ways and is the continuation of the original feeling of helplessness of the human infant. Every normal child should be in a position to master this infantile trait of character. If however anyone is repeatedly thrown into this experience of helplessness he begins to enjoy it for its own sake. Self-pity being a form of helplessness is enjoyed by most people. Self-pity deprives its possessor of the mature man's ability to cheerfully co-operate with others and leads to the morbid habit of finding fault with every one. Many workers develop as a reaction to self pity the hard boiled attitude of planning mischief, rumours and agitation. Agitation for the sake of redressing grievance is different from creating agitation for sheer mischief. Agitation results in stimulating a large number of workers to feigned bravery, foolhardiness and desire for undue attention. The consequences of this emotional mal-adjustment are likely to be quite serious for the personality of the workers as well as for the management. The tendency towards vagrancy and frequent change of jobs is essentially the result of emotional mal-adjustment. A serious limitation in the range and power of attention, distractibility, extreme irritability and inability to learn and improve in professional work are some of the results of this.

It is true that the roots of emotional trouble go down to the period of infancy, yet satisfaction in work and favourable social atmosphere of adult life take away the sting out of the early childhood's pathological nucleus. What the emotional mal-adjustments of the labourer costs can be estimated from the following figures taken from Fisher and Hanna's book *The Maladjusted Worker*. The average cost of breaking a new worker is 4500 dollars.

A factory employing 500 new hands loses 450000 dollars per annum on account of the labour turnover and labour discount.

*Leadership in Industry.* We may now briefly review ways and means by which morale can be built. The whole question of the quality of leadership in industry has been neglected. The atmosphere of a typical factory is charged with suspicion and fear. The director and manager are suspicious and afraid of workers who in return reciprocate the same sentiment. As has been made clear, many of the baser emotions are products of human and social conditions. The same emotions can be refined by changing the social milieu of the factory. Some of the factors which make up for suspicion and fear may be reviewed here. The people who are placed in administrative posts usually regard their status as means of satisfying their power hunger. There is in each one of us insatiable thirst and hunger of self-assertion and an administrative post is exploited for the purpose of satisfying this hunger. Once a man is placed in an administrative post he must learn to use his privilege and power as is satisfying to men working under him and not in a manner as is satisfying to his own ego. Very few executive heads display the attitude of detaching themselves from the craving of self-assertion or put into prominence the larger aim of management before themselves. Most of them are frightened at the very sign of the expressive tendencies in the subordinates.

It is true that large factories become aware of the necessity of the enlightened leadership. Yet in smaller shops and factories both the major and minor supervisors have not become sensitive to the social responsibility which remains a pious sentiment. This fear of the progressive ideas makes them shy of announcing their intentions in clear words.

This fact charges the factory atmosphere with unnecessary and useless secretiveness. The lack of vision and a long-range view of things is another trait which is frequently exhibited by the executives. Hence the average manager can think of monetary gain only as a means of making the worker stick to his duties. This attitude is born of extreme cynicism. The new leaders in industry must be in a position to stimulate the individual to the maximum of self-expression and must be able to integrate individuals in a team. This can happen only if leaders themselves are sensitive to, and appreciative of, the individual gifts and capacities. More than this, they must be in a position to create scope for the individual growth through collective efficiency. As a matter of fact, an individual by himself always feels insecure and helpless. It is only by finding a group of his choice that he can really grow. The industrial leadership must blue-pencil this basic need of our times and strike a harmony between the need for membership of a group and the need for individual self-expression. Hence a leader has to learn to control temper, tolerate men who have opinions different from his own, cultivate impartiality and a genuine interest in the men under him.

*Adult Education.* It has been pointed out above that a narrow range of interests stimulates baser emotions in people. If the range of interests of workers could be widened, the energy which goes to feed baser emotions will be usefully spent in worthwhile activities. The author of this paper had an opportunity of organizing a programme of adult education for workers and found that it went a long way towards fostering professional efficiency amongst them. They enjoyed the adult education programme. A number of them enlisted themselves for poetry, physical sciences, astronomy, electricity and literature. Workers appreciate, more than is often realized, knowledge for its own sake. Many of them

had been keen students whose studies were stopped by adverse circumstances so that they were compelled to earn their livelihood at a comparatively young age. When they get an opportunity of reviving their interest they are able to bring a mature mind and keen curiosity to their studies. Love of science and truth is a very deep-seated though unfelt craving of human mind and it puts an automatic check over baser emotions. This war has shown that the best way of building up morale of a people is to create in them a love for truth.

*Recreational Activities.* The spending of leisure is a problem for all urban people including factory workers. A programme of recreation and hobbies results in widening their interests. More than that, it gives them an opportunity to come in informal contact with men of diverse abilities in different contexts. This releases them from an unhealthy attachment to their bosses in factories and they realize that there are plenty of things to learn and do besides useless grouses against the management and colleagues.

*Professional Organization of Workers.* Workers are, at present, organized to safeguard their economic interests. Trade unions are performing this function. Yet very little has been done to arouse their interest in the jobs they have to do. For this purpose it is desirable that they should express themselves in the technical and administrative matters concerning their work. At present these matters are left to the whims of individuals. What is needed is workers' public opinion on many aspects of their professional work. Discussions on these lines will go a long way towards creating public opinion, which will set up certain conventions and will mould workers' thinking along desirable channels. In America, for example, foremen's associations have educated public opinion on the ways in which key-men amongst workers can use their influence to



stimulate initiative and leadership amongst workers. Conferences of workers, in particular, may be called to discuss problems of production and wastage. It has been the author's experience that workers have very sound observations to report on these problems, observations which often escape notice of the technical experts.

*Supervision.* Much research work has been done on the problem of supervision. Supervision, for many people, is nothing more than bullying the worker to his job. This often brings disastrous results. But supervision, in the best sense, is a method of educating the worker to use all his abilities to improve production. Most of the workers are educable and appreciate the supervisor taking a personal interest in their education. They are delighted at learning new ways of skilled work. To give a new tone to supervision, it is desirable to hold classes in industrial management for supervisors.

*Family Life.* So long as a worker's wife and children continue to live in the village, his heart too will be there. Not any amount of persuasion but only the hard necessity of earning livelihood can make him stay at the mill. It is necessary, therefore, that facilities to have a normal home life at the mill be offered to him. The village offers a free ancestral home and cheap living to the workers' family. Can the factory not offer him facilities to set up a home in the factory area? Many experiments have been made in Great Britain and America on the difficult problem of running cheap and efficient homes in industrial areas. In fact the general trend of investigation in Domestic Science has been in this direction. Many factories in the west have popularized schemes of cheap and efficient homes for workers. It is time that we in India give trial to similar schemes. Sometimes it is economical for the worker and his wife to engage themselves in industrial labour and eat at the community kitchen. This is in

contrast with the current practice where the man takes to factory and woman runs the kitchen. Most women like to give their spare time to factory work and yet prefer to remain free of the strict routine of the factory. In other words, they can do only part-time jobs. For this purpose it is desirable to start them on work which they can do easily at home in their spare hours. There are certain industries in which women prepare the parts at home and the assembling of the parts is done at a central place and payment is made on the basis of the amount of work done. Industries of this kind have to be planned in mill areas to enable the womenfolk of the workers to augment the earning of the family. This fact will necessitate the invention of small tools which can be manipulated at home by women. In fact, the general tendency in the development of mechanical appliances has been towards the invention of small tools. Any plan for the industrialization of India has to recognize this fact particularly if women have to play their role in an industrialized India.

Our faith in the potency of some of the above-mentioned methods of improving morale is amply justified by experience. No scheme of making workers efficient will succeed in the long run unless it also aims at creating in them the will to live and the suggestions enumerated above have been made with this end in view.

# CHAPTER XXIII

## PROBLEMS OF RURAL LABOUR WITH SPECIAL REFERENCE TO MADRAS

By K. C. Ramkrishnan.

It would not be an exaggeration to say that of all the major problems in our rural economy those relating to labour have received the least attention. This paucity of attention is in striking contrast to the growing volume of attention paid to industrial labour in our own country and to agricultural labour in Western countries—though even there the mere tiller of the soil was until recently treated as a “second class citizen”, while peasants and small holders, spoken of as “the salt of the earth”, received greater attention. There is a general impression which was voiced in an international gathering by more than one speaker that in India, as well as in certain other less advanced countries, “wage-earners form only a very small minority of the total rural population and their conditions of work and wages depend on the prosperity of the peasants and small holders.” While there is some force in the latter part of this statement, the former is not quite correct so far as India is concerned. Census reports reveal a steady growth in the number of landless labourers and in their proportion to the population engaged in cultivation, as compared with cultivating land-holders. Of every 1,000 persons engaged in cultivation in the Madras Presidency, the following changes are noticed :—

Year	1901	1911	1921	1932
Cultivating land-holder	484	426	381	390
Labourers	345	340	317	429

The Special Officer who enquired into Agricultural Indebtedness in the Madras Presidency in 1935 observed: "In spite of fresh assignment to small farmers and labouring classes, the small holder who constitutes the bulk of the agricultural population of the Presidency is gradually making way for the large landholders, who while absorbing the land of the cultivating small, farmer seldom cultivates the land himself."

The problems of landholders, known as *kisans* or *ryots*, not all of whom are cultivators, have received far greater attention in India than those of mere labourers on land. It is true that many small holders are little better than labourers. They not only work on their own tiny holdings but are ready to work as casual labourers on others' lands in their spare time. Indeed, some of them feel that they are worse off than landless labourers because of the losses they sustain by drought or pests. But on this account it cannot be said that there is no conflict of interests between the small landholders and mere labourers. From the point of view of the latter, there is not much to choose between a small and a big employer. The former though moving on equal terms is a more exacting task-master as a rule. The paid agent of the big employer may not be so exacting but may take a toll from the wages paid. While there is a certain amount of coercion in recruitment in certain cases, labourers often prefer the big employer themselves not so much because of high wages but on account of the continuity of employment on large diversified farms. In the busy season the small holder suffers by having to pay higher wages or stinting labour.

Another set of agricultural workers are the tenants who till the lands they take on lease, unlike the big farmers in western countries. They are most of them sharecroppers (*metayers*) contributing their own labour and at best a pair of cattle while

the landowner contributes seeds, manures, etc., which are paid for from the heap at the harvest. This type of tenure, called Varam in the Tamil country was almost universal on paddy lands. The tenant-labourer receives a share of the harvested produce—the share varying with the fertility of land, irrigation facilities, contribution by the landowner, etc. This system of tenancy is gradually giving way to fixed lease in cash or kind, known as Kuthagai in Tamil, even on paddy lands. This is due to the inability to exercise supervision or unwillingness to take risks on the part of the landholders, some of whom are absentees. This does not altogether mean a triumph for labour. For there are too many competing for tenancy and the rent is kept up. A rackrented tenant is no better than an ill-paid labourer. Tenants who raise commercial crops like sugarcane, plantains, tobacco and turmeric are generally men with some capital and spirit of enterprise and are not so helpless as the others. They in fact employ labour on conditions which are no better than those offered by landholders.

Labour organisations are difficult to build up and maintain when there exist side by side different classes of agricultural workers, among whom no sharp lines of division can be drawn. Work on land more often scatters and isolates labour rather than brings them together as work in factories does. Most of the labourers on land are illiterate. Many of them are from the depressed classes and helpful in matters economic. The Department of Labour in Madras, organised 25 years ago, seeks to help the depressed class labourers, rural and urban, in certain ways. Other agricultural labourers do not come within the purview of any department of State or of any labour organization. Kisan Sabhas seem to be more interested in ryots and peasant proprietors. Communist organizations are more active among

industrial workers. In the absence of any organization which can speak exclusively for agricultural labourers, or of any Department of State dealing with all classes of agricultural labourers, we have neither organised views on labour matters nor complete data on conditions of labour in agriculture. Our discussions and suggestions have to be based largely on local enquiries and observations.

*Supply and Demand.* There is no doubt that in India by far the most important problem of rural labour is that of its adequate employment. Pointed attention was drawn to the existence of labour far in excess of the requirement of agriculture by the Famine Commission of 1890. Since then population has been steadily growing but the area under cultivation has only slightly extended. There has been some intensification of cultivation due to the construction of irrigation works, canals and wells ; but that could hardly absorb more than a fraction of the surplus labour. Some parts of the country (e. g., 6 or 7 coastal districts of the Madras Presidency) have an excessive population which could not be supported by local agriculture except at harvest time ; they have been the most important recruiting grounds for labour to Burma, Ceylon, Malaya and Plantations within the country. Harvests in the deltaic areas, where paddy is extensively grown, attract labourers from the drier uplands. Groundnut picking and cotton picking in inland districts likewise attract swarms of labourers. Many are prepared to migrate with their families quite long distances, even 50 or 60 miles. Arrangements for their boarding and lodging are crudely improvised and are far from satisfactory. Such a sudden influx of numbers without any provision for sanitation and medical relief is a menace to public health.

The demand for labour in agriculture, unlike in manufactures, is highly seasonal. There is a peak demand for labour in the harvesting season and next

to that in times of transplanting and weeding, most of which are done by women. Men are required mainly for the operations of ploughing, levelling, digging trenches, forming beds and bunds, hoeing and irrigating—all of which require a smaller number of men per acre than the number of women required for the tasks set for them. Generally speaking, for crops grown on dry (rainfed) lands, or on wet lands (canal irrigated) more women than men are required. It is only on 'garden lands' with wells from which water is lifted by bullock power that more men are required than women. Where bullock power has been replaced by oil engine or electric motor for pumping water, as has been done extensively in Coimbatore, there is a big cut in the number of men required. There is bound to be a further displacement of man labour with the spread of electricity and the partial mechanisation of cultivation in the larger farms acquired by industrial and business magnates.

It is not enough to know the total demand for labour of particular crops. It is more important to know the daily requirements of labour for men and women for different operations with reference to each crop. Given particular weather conditions and irrigation facilities, the scope for a less uneven utilisation of labour available must be found out—if, for instance, a new system of rotation of crops or of mixed or diversified farming will engage labour through a greater part of the year. In garden land cultivation, generally some permanent labour is kept employed for most part of the year. Even here there are slack and busy periods, but nothing like what we find in the cultivation of dry lands and wet lands with their long spells of enforced idleness for men and women and brief periods of intense and hurried activity.

Knowledge of the existing supply of labour seeking employment and of the demand for labour by

employers may be gathered and broadcast in areas where there is a large supply or demand. A system of Rural Labour Exchanges may be tried on the model of industrial labour exchanges in the west, though a great handicap to the working of the former would be the illiteracy of rural labour. It should be the duty of the future village guide to ascertain and pass on the information. Dairy farming, if it is specialised and done on the scale on which it is done in Western Europe and America or Australia, will create a demand for more labour. And it is very necessary that we should increase our supply of milk. There are no two opinions about it. But in India it is more desirable for the cultivators to keep a milch animal or two along with a pair of work animals and do mixed farming on a small scale utilising the straw, husk, grass and other by-products of the farm and secure as much farm yard manure as possible. This herd the peasant proprietor and his family may manage without needing hired labour. Again, the labour requirements for the cultivation of vegetables and fruits are far greater per acre than of cereal crops. The demand also for these specialities is growing. Here again, conditions are more ideal for families growing their own vegetables on their own gardens or allotments, rather than in a specialised way and on large scale. Specialised market gardening involving a lot of labour can, however, be profitably undertaken in suburban areas adjoining congested cities. This implies a rise in the standard of living of urban and working class consumers.

Reclamation of 'cultivable wastes', of which perhaps not more than half the area is really cultivable according to any standard, may need some labour, but more than that powerful machinery for clearing jungle, digging and moving earth, of the kind now used in the army. It is doubtful if there will be enough land for reclamation even for all the



demobilised soldiers to be enough land for reclamation even for all the demobilised soldiers to be settled for whom priority will be given. A certain number of workers can be employed profitably on repairs and improvements of existing fields and farms in the off-season. Some peasant proprietors attend to this themselves. But few landlords seem to utilise spare labour available in the off-season.

We have no definite data to suggest any cottage industry which can be carried on in the villages with little capital by labourers in their spare time. Processing factories like rice mills, cotton gins, groundnut decorticators and sugar mills employ in the off-season some rural labourers in the neighbourhood. But it should not be forgotten that in the first instance these factories themselves deprive many rural workers of their employment in the processing of the same produce by older methods consuming more labour.

A great expansion of large-scale industries in the post-war period is expected to absorb some of the surplus labour on land. Indeed one of the foremost aims of planning by every party seems to be the establishment of industries for the sake of the latter. Already in the neighbourhood of factories, many rural labourers have taken advantage of the demand for hands and joined the ranks of industry. Either they feel pushed out of the villages, or they feel the pull of the factories in the higher wages offered and the attractions of urban life. The bus and the bicycle have enabled many to live in the villages and to attend to work in factories if the distance be within five miles. The complaint in Europe is that the younger and abler men go to factories leaving agriculture in charge of the old and feeble men and giving the unfortunate impression that the fool is good enough for agriculture. Agriculture to be well done demands intelligence and alertness and all-round ability while most of the

work in a factory can be done by the duller person, as it is carried out in a constantly repeated rhythm. Are our villages drained of the abler workers by the factories?

The contact, that some of the factory hands retain with their villages either by continuing to live there or frequently visiting their homes has been praised by Royal Commission. Does such contact between town and country, between industry and agriculture, 'quicken the mind and enlarge the outlook' of the labourers or does it deter them from settling down in the village and improving the land without harking back to the gaiety of the city?

It is only in the last two years that in parts of India labour has been drawn from the villages to factories or to military works or the armed forces to such an extent as to create acute scarcity of labour for agricultural operations. Agricultural wages have risen threefold in the last 18 months in and around Coimbatore, Madura and other industrial centres, where the mills are working double shift.

A major solution of unemployment of men would be to discontinue employing women on land so that they might attend better to household work and their children. Modern machines have made work at home less of a drudgery while the harvester, thresher and winnower have taken up most of the work done by women in agriculture. But transplanting and weeding, most important in wet land paddy cultivation, can be done well only by women. Men do them slowly and awkwardly; they make no demand on muscular strength. So is the case with the picking of cotton, groundnut and vegetables. Granting that women are confined to these operations and men take up every kind of work demanding some strength, is it possible to pay men the higher wages necessary to maintain their families without the addition of women's earnings?

The conditions under which labourers on land have to work are far from uniform. They are not easily amenable to standardisation or regulation. The workers do not belong to, or grow into, a homogeneous group as factory labourers do. Their work involves more dispersion than congregation. They cannot be effectively organised into a trade union. There is yet no articulate demand for improvement of conditions. But this is bound to come sooner or later with the growing contact with industrial labour and the discontent arising from the discovery of lower status as a result of education and propaganda.

*Hours of Work.* Hours of work vary from place to place, season to season and from crop to crop too. Practically all the work has to be done in sunlight, unlike in factories where artificial light permits work at any time. But invariably the early cool hours of the morning and occasionally the moonlit nights are utilised for the arduous work of lifting water by the picota or the bullock mhoite. Threshing paddy by hand taken up in the afternoon advances into the early hours of the night. Cattle chreshing is taken up in the early hours of the morning. Animals have to be fed before milking or taking out for work early in the morning. In the busy season of preparatory cultivation, a lot of work has to be squeezed into the hours of the day with little rest. On the smaller farms, different kinds of work have to be done by the same farm servant in the course of the day involving waste of time in changing from one to the other. The small holder and his wife often work longer hours than labourers and they have little sympathy with hired labour demanding reduction of hours or increase of wages.

Labourers themselves do not mind working longer hours, if they are paid piece wages or according to results. Indeed they are prone to overwork them-

selves in the harvest season when they are so paid. But that is only for a small number of days in the year.

On the whole hours of work in agriculture are not too many and the nature of the work is not so tedious as in the factory. Labourers on daily wages generally work for 8 hours per day with a break of two hours during mid-day. Piece-workers, doing strenuous work often retire sooner, earning more.

Any regulations of hours of work is difficult to enforce in the conditions obtaining in India where farms are small and fragmented. It is not legislation but effective local organisation of workers that can prevent excessive hours of work. Legislation prescribing hours of work over the year and over the day has been enacted only in 15 countries of the world, most of it after the last world war. It does not generally apply to farms of less than a certain size. There is no rigid fixation of hours. Rooms have been left for adaptation to local conditions. The labourer is given (or promised) some sort of protection against overwork. There was a serious difference of opinion on this question of regulation of hours of work among the representatives at the meeting of the Permanent Agricultural Committee of the International Labour Office held in February 1938. The need for further study was stressed, before positive proposals could be made for adoption by all countries.

Before we think of any regulation of hours of work, it is more important to consider ways by which the great waste of time and energy that is now going on by labourers having to walk long distances from their houses—sometimes 5 miles and more—can be reduced. Women workers in particular start late and return earlier as they have to attend to household work too. The number of effective hours of work on the land is cut down to the detriment of both the employer and the worker. Is it possible to prescribe

a zone of labour for a group of villages, according to the work to be done, which would eliminate needless walking of many miles to and from the work-spot?

*Wages.* We have no authoritative statement of the rates of wages prevailing in different parts of the provinces at any time. In the statistical statements issued by the Government of Madras in the Fort St. George Gazette on seasons and crops, there is a paragraph at the end which just says whether wages in general have kept pace with, or exceeded or lagged behind prices of crops.<sup>1</sup>

The system of wage payment differ widely from class to class and tract to tract. Permanent farm servants working and also living on garden lands are paid by the month in grain, which may just suffice for a small family. A little cash (Re. 1 or Rs. 2) is paid for sundry shandy purchases. The farm servant on garden land has work all through the year on the farm. But his wife and children can go out to earn as casual labourers, if there is no work on the farm of the master for which they are entitled to be paid, if not a competitive, at least a concessional rate

The farm servant on wet land is invariably a pad-padiyal in some districts. He is tied to the farm by a debt he has incurred from the landlord, which he is obliged to repay only when he leaves the land. He is paid by the day a stipulated quantity of grain enough to keep his family free from starvation. He is entitled in addition to a small share of grain at the harvest time. He receives some cash by way of tips for drinking on occasions when he does heavy work. He is also given clothes and other prerequisites on some festive occasions in the year.

Varam (share) tenants are not much better off than labourers; they often sustain losses and to that extent are worse off. The share they get even in

good years is only equivalent to a low rate of wages. They would earn more by day labour, but only if they could get employed on an equal number of days. Share tenancy is a kind of insurance against unemployment. The landlord values it as it relieves him of the bother of having to engage labour from day to day, particularly in the busy season. The tenant's share tends to rise in times of falling prices, or to give place to fixed lease in kind.

Casual labourers are, paid by the day wages in cash for certain kinds of work. But for harvesting almost invariably they are paid in kind, according to the yield. The share for labour varies with bearing in the case of crops like cotton and groundnut. Payment in the case of grain is very welcome, at any rate at present. But it is a disadvantage to the labourers picking cotton and groundnut, as they dispose of or barter away their share at unduly low prices to petty dealers in the neighbourhood.

It is difficult to compute the total income of the family of a labourer without a clear idea of the rates of wages, including payment in kind and of the number of days on which earning members are actually employed. The cash value of receipts in kind of perquisites on occasions, and of the mid-day meal, if any, must be ascertained. It is difficult to compare rates of remuneration for labour in different parts of the country in these circumstances.

It is not easy to lay down any standard of comfort applicable to a region or tract, not to speak of the whole country, which could be assured by any legislation regulating wages. There are certain items of expenditure which are not so costly in a village as in towns—house rent, fuel, vegetables, grains and pulses grown in the tract, while other foodstuffs and particularly clothing are definitely more costly in the villages.

In the course of the last twenty years, legislation for the fixing of minimum wages for different kinds of labour in different regions has been enacted in certain countries. The ideal is to secure to the agricultural worker wages equivalent, if not equal, to those of the worker in industry. Such legislation is ahead of actual practice in some of these countries. General policy is laid down leaving to local committees the power to fix rates to suit local conditions. Almost all the employers' representatives at the meeting of the Permanent 'Agricultural Committee (I. L. O.) were against wage regulation in agriculture, particularly those who produced not so much for the home markets as for export. There was opposition to fix wages without stabilising agricultural prices. It would be difficult to enforce any legislation when farms are so small and dispersed and the workers in each are few and there is no trade union interested in the enforcement of the regulation. It is vain to preach the economy of high wages to employers who are impecunious and inefficient dwarf holders. In countries, where workers are unable to organise themselves, it is conceded that it would be very difficult to enforce any minimum rate. Louise E. Howard concedes, "in such backward countries, as a rule, only general measures to add to the prosperity of the agricultural proletariat can be contemplated; more access to the land and freedom from indebtedness are more important to any depressed section of such rural population than the raising of wage levels."

**Housing.** As a rule, agricultural labourers occupy the worst quarters and the worst houses or huts in the villages. Thanks to the tropical climate, men sleep on the pial or in open air for six months in the year. But the hut gets so overcrowded in the rainy and winter months that the inmates may be said to be couched rather than housed. Floors and walls get damp. All sorts of fevers, particularly relapsing fever, rage for months. Infant mortality is high.

The garden-land permanent farm servant has so little space in the farm house that he has often to sleep by the side of the animals he tends. In the wet land areas in Mirasi Villages, the Panniayal or Padiyal gets a house site in a village on which he erects his hut and has to live as long as he works under the master. Freedom of movement is checked, and any displeasure of the master means not only eviction from the land but also from the house site. All house sites in the village were once claimed by the Mirasdars and no one else would accommodate him. This evil of the tied cottage has been remedied to some extent by the steps taken by the Government of Madras in the last 25 years to acquire and provide house-sites for labourers and help them to build houses thereon with loans which they could repay in easy instalments. They need not be at the mercy of the landlord. But this is perhaps a doubtful blessing for those who would like to move out in search of better jobs, as they feel pinned down to the houses and the debt is a drag. The ideal would be for the authorities, preferably local, to provide housing accommodation for the poor at a low rate. But in India that would be crying for the moon at present.

*Indebtedness.* The labourer on land is invariably indebted though the amount of the debt seldom exceeds Rs. 100. The evil of debt is pronounced in the Padiyal system as the worker binds himself to work on the land of the creditor until he discharges his debt, for which, however, no interest is charged. The chances for repayment are slender as there is little opportunity for saving even if he gets a little cash working as a casual labourer in the fields of others when he has no work on the land of his master. Rare cases there are when the brother or the son of the borrower migrates or emigrates and remits some savings to pay off the debts. The rigour of the system has been relaxed by the provision of the house sites by



the State, the difficulty in executing decrees and the greater freedom of movement.

The share-tenant also borrows from his landlord for the purchase of cattle, which he has to repay when he leaves the land. He bears the risk of loss by the death or deterioration of cattle. He also borrows from the landlord for the maintenance of his family in the off-season. The dues are deducted at harvest from the share to which he is entitled. Often there is little grain left for him to take home ; and the round of borrowing goes on as ever.

The casual labourer cannot get any loan without paying high rate of interest, unlike the permanent farm servant and the share-tenant who pays no interest to the landlord creditor. He borrows mostly from the itinerant "six months' lender" who lends money and grain and sells cloth on credit, and recovers the dues with high rate of interest at harvest time, when wages are higher than can be spent immediately.

Co-operative Credit Societies organised for the depressed class labourers have not been successful in spite of special aid and control by the State, partly because of the utter lack of leadership among themselves. Their low earnings and their addiction to drink render the work of redemption from debt extremely difficult.

Labourers not belonging to the depressed classes might be better material to deal with. But no society has been organised for them in particular.

*Diet.* The feed taken by labourers is far from satisfactory. Many do not get the required quantity nor get the requisite quality. It is said that if epidemics slay thousands every year, malnutrition maims millions. Rice which forms the major item of the diet of the labourer is a fundamentally defective diet without the addition of pulses, milk or milk-products and vegetables or fish and flesh. None

of these protective foods is available for labourers, not even the cheap vegetables according to the surveys conducted in some South Indian villages. Beri-beri and intestinal diseases are common in coastal areas where rice is taken in excess. Before the war, thanks to the import of cheap rice from Burma and its invasion into the interior, the labourers even in inland districts began to prefer rice to millets which they were consuming before. It is not only the price, the palatability and the prestige attached to rice but the convenience of cooking it after a hard day's labour that accounted for its preference. In some districts labourers picking groundnuts consume inordinate quantities of groundnut kernels, resulting in intestinal diseases and predisposition to cholera. Coffee or tea has come into vogue among the labourers too, but as it is taken with jaggery and little or no milk it has little food value.

The present rice famine would be a blessing in disguise if labourers could be induced to take wheat for one meal in the form in which it has been recommended by the Nutrition Institute, Coonoor.

*Drink.* Labourers as a class are more addicted to drink than others. It is a kind of opiate in the circumstances in which they work and live. They drink toddy, while the few who drink among other classes take to stronger liquor. Earth diggers are the heaviest drinkers of toddy but they do not seem to suffer much in their physique. Whether toddy injures health or not, the addicts are economically at a low level. Whatever they earn they spend away, more at the toddy shop than for the household. Their women and children suffer privations. Some employers offer tips for drink to the servants doing heavy work. This has the effect, intended or not, of keeping them in debt.

*Diseases.* The labourer and his family fall victims to several diseases, some of which are savage and immediate in their effects. Cholera is said to kill

annually forty times more people in Madras than, it does in the Punjab, where the diet is superior. Malaria is endemic in villages in the deltas and river valleys; it may not kill its victims at once but it enfeebles and renders them incapable of any strenuous work and predisposes them to deadly diseases like tuberculosis. Hookworm, with which 80 to 100 per cent of workers in wet land areas are infected, is not directly fatal but causes anaemia, indifference to work, etc. Between hookworm and malaria, at least 20 percent of the working days may be lost by the labourers. More data could be collected on occupational diseases of agricultural workers if officers of the rural dispensaries would fill up all the columns provided for in the register of admission they have to maintain. With their co-operation more might be known of the effects of excessive pushing, carrying and other strains involved in work of various kinds.

#### EFFICIENCY OF LABOUR

The working and living conditions of the labourers sketched above cannot be conducive to efficiency of work. Divergent opinions have been expressed on the efficiency of the Indian ryot and the labourer. Dr. Voelcker has lavished praise on the excellence of the cultivation, especially of the garden land of Nadiad and Coimbatore. Dr. G. Slater has, on the other hand, characterised the South Indian labourer as "extraordinarily unproductive" compared with the British agricultural labourer. Efficiency is a complex affair, not easily measurable except in simple operations, and it depends not only on qualities of strength and skill, industry and intelligence of the individual workers but on conditions of soil, animal power, implements, direction and incentives to work in the shape of wages and other benefits. Unless these factors are isolated and careful experiments are conducted as Dr. H. H Mann began in Bombay it is difficult, nay unfair, to speak

of comparative efficiency of labour as some writers have done.

We may, however, accept that our labour is in general inefficient and might do better under more favourable conditions. We find marked difference between different classes of workers in one and the same tract and in similar tracts. The climate of the district like Coimbatore is favourable for hard work ; but we find along with hardworking ryots and labourers several others with a lack of strenuousness, which is much more common in the neighbouring Mysore plateau with a more or less similar climate.

In the same tract certain sections of sub-castes of workers are more efficient than others in certain lines of work. The Pallars and Parayas are the best workers on wet land paddy cultivation while the Gounders are good in gardenland and the Kam-mavars on dry black cotton soil. The Palla and Paraya women are by far the best transplanters, harvesters and grasscutters. Some of the Muslims in South India are among the best cultivators of vegetables, fruits and betel vine. A number of Christian families in the Madura district are good grape vine cultivators due to the influence of missionaries. Which is the main cause of efficiency—long association with a particular kind of work or competent direction and training ?

Better equipment—animal power and implements—should add to the efficiency of the labourer.

While the need for better animals is generally granted, the need for improved implements and tools is not readily recognised. There is a positive opposition in many quarters to labour saving implements on socio-economic grounds. Is it wise or practicable to prevent the bigger landlords from going in for ridge plough and bund former which save time and labour or chaff cutter which saves time and material ? There are in use a variety of

implements and tool of different sizes and shape, evolved in the course of years to suit different conditions of soil and climate and crops and perhaps different types of people too. Are not some of them survivals of an age when conditions of farming were different and the types of men who wielded them belonged to different classes with different habits? Are the materials used of the best type now available?

Systematic studies should be made of the fatigue produced by the several implements used and of the possibility of reducing the time and the number of movements involved in doing any kind of work on the farm. A simple platform made of bamboos for threshing paddy, which relieves the operator of a lot of bending movements, is in use in Malabar but is not known in other districts. The location of the workers in relation to the work, the best attitude of body and feet to the work must be determined. The scope for such studies is not so great in agriculture as in the factory, where the worker attends to a machine at one place all the time. It is still possible to reduce waste of labour by careful investigation and experiment as is done in certain experimental stations in the West (e.g., Pommritz in Saxony).

There are other problems in the scientific management of farm labour. How does labour respond to different systems of wage payment—time wages, piece wages, wage in cash or kind, payments by results; and what is really most beneficial in the long run? What are the psychological effects of working in gangs instead of in isolation? Is the worker stimulated by the example of the best workers or does the slowest worker set the pace for all? When does the need for a foreman or Maistry arise to supervise and direct labour without whom there will be a distinct loss?

Emphasis has been laid on education as a decisive factor in the improvement of the efficiency of the

farm workers in western countries, notably in Denmark. But in India a little knowledge that a few of our workers got when young turns their heads away from the land rather than sharpens the curiosity and interest in improved agriculture. The re-orientation of education with rural and vocational bias may improve the efficiency and the lot of the worker. For quick results adult education is more important than primary education of children. But Madras lags behind most other provinces in the number of schools for adults and in the number receiving instruction.

The last and by no means the least important problem would be to trace the effects of a change in the economic and social environment on the labourer. It has been stated that the Indian labourer, recruited from among the lowest classes in India and used to long hours of work at a slow pace here, improved considerably after they went out to the tropical colonies of Trinidad and British Guiana, where they had none of the social and economic fetters imposed on them here. It is said that when the period of indenture ceased, their efficiency increased by 25 per cent.: they earned more and saved enough to remit money home or purchased land and settled down in the colonies. South Indian Labourers who had emigrated to Ceylon, Malaya, etc. and given a good account of themselves in those lands and been acclaimed superior to the native labourers there, have not been particularly prosperous, nor perceptibly improved their material condition. Could the difference be due to the difference in wages and treatment accorded to them? Or have the temptations of a new social and economic environment neutralised the effects of higher wages and better treatment?\*

\* A paper read before a conference of the Indian Society of Agricultural Economics. We are indebted to Mr J. J. Anjaria, Hon. Secretary, for permitting us to use it—EDITOR

# INDEX

Names of books and magazines have been italicized, while those of persons, printed in capital letters. Numbers refer to pages.

- ABRAHAM, DAVID, 341
- Absenteeism, 359; statistics of—, 3, 16, 17
- ADARKAR, B. P., 19, 185, 195, 197, 199n, 203, 204, 205, 225, 226, 229, 230, 231, 232n, 241
- AGARWALA, A. N., 189, 219, 224, 225n.
- Ahmedabad Millowners' Association, 286
- AHMED MUKHTAR, 232n
- AMBEDKAR, B. R., 157, 222
- ANDERSON, DOCTOR, 358
- Annual Report of Chief Inspector of Mines in India*, 148n.
- Arbitration, See Conciliation
- Assam Tea Districts Emigrant Labour Act: Statistics collected under—, 2, 10, 12
- Badli Control System, 287
- BATLIBOI, JAMSHED R., 307
- BEVERIDGE, SIR WILLIAM, 185, 191, 198, 203, 204, 224, 234
- BHOJWANI, N. K., 26
- Bhore Health Plan, 241
- Bihar Labour Enquiry Committee, 44, 45n, 194-5, 233, 235, 288
- Birla Education Trust, 331
- BIRLA, L. N., 323
- BLANQUI, 100
- Bombay Industrial Disputes Act, 69, 87-90, 92, 215-6
- Bombay Industrial Relations Bill, 95-98
- Bombay Labour Office, 28
- Bombay Millowners' Association, 287
- Bombay Provincial Trade Union Congress, 287
- Bombay Strike Enquiry Committee, 233
- Bombay Trade Disputes Conciliation Act, 86, 215
- Bombay Textile Labour Enquiry Committee, 61, 68, 212, 233, 235, 286, 287-8.
- BUCHANAN, DANIEL H., 207, 220
- Building Labour Statistics, 21-22
- Capital*, 263
- Capitalistic Enterprise in India*, 207n
- Cawnpore Labour Enquiry Committee, 233, 235, 286
- Child Labour
- Employment of—, 140-152
- in India, Ch. IX, 139-175
- Legislative Protection of—, 160-172 ff.
- Working and Living Conditions of—, 152-160

- Civil Condition of Workers, 130-1
- Coal Mines Labour Welfare Fund Ordinance, 273
- Collective Agreement, Statistics of—, 20.
- Commercial Establishments, Statistics of—, 24
- Conciliation and Arbitration, Ch. VI, 80-98
- Cours d' Economie Industrielle*, 100
- Cost of Living Index Numbers, 3-4
- O. P. Unregulated Factories Act, 149, 165, 168
- DALMIA, J., 333
- DAWSON, MARSHALL, 202
- Defence of India Act, Rule 81-A, 83, 92
- DESHPANDE, S. R., 232n
- Diet and Rural Labour, 396-397
- Director of Geological Survey, 10
- Drink and Rural Labour, 397
- Dock Labour, Statistics of—, 23
- Eastern Economist*, 43n,
- EDWARD S. THOMAS, 206.
- Efficiency and Labour in India, Ch. XX, 341-352.
- of Rural Labour, 398-401.
- Employment of Children (Amendment) Act, 149, 151, 164, 167.
- Employment Exchanges in India, Ch. XVI, 282-306 ; Rural Exchanges, 387
- Factories Act 22, 144, 146, 149, 154, 155, 161, 162, 163, 164, 173, 233 ; Provisions and Working of—, 208-11 ; Statistics collected under—, 2, 4-6, 8, 206
- Famine Commission, 385
- Female Labour, 130-1
- FISHER, 53
- GADGIL, D. R., 43n, 44n
- GRAND DANIEL LE, 100
- GURMANT, NAWAB M. A., 294, 300
- Handloom Weaving Committee, 24
- Health Insurance, 226-230
- Hours of Work
- Convention, 21, 165
- Child Labour and—, 153-154
- in Indian Factories, Ch. XIX, 333-340
- Housing
- Condition of —, 129-30, 136, 139
- Rural Labour and —, 394-5
- Statistics of —, 20
- Imperial Institute of Sugar Technology, 326
- Indebtedness of Rural Labour, 395-396
- Indian Coffee Statistics*, 11
- Indian Engineering Association, 328
- Indian Labour Gazette*, 143n, 147
- Indian Lac Research Institution, 326
- Indian Mines Act, 20
- Child Labour and—, 147
- Provisions of —, 165-166
- Statistics collected under—, 2, 9-10



- Indian Ports Act, 166  
*Indian Rubber Statistics*, 11  
 Indian School of Mining, 326  
 Indian Statistical Society, 4  
*Indian Tea Statistics*, 10  
*Indian Textile Journal*, 347n, 348n  
 Indian Trade Disputes Act, 83, 84-86, 87, 214  
 Indian Trade Unions Act, 2, 9, 70, 83, 216-7  
*Indian Working Class*, 38n, 46n, 47n  
 Industrial Commission, 324, 325  
 Industrial Disputes Statistics, 13-14  
*Industrial Labour in India*, 143n  
 Industrial Statistics Act, 4, 21, 25  
 Industrial Welfare in Post-war India, Ch. XV, 266-281  
*International Labour Code*, 105-109  
 International Labour Conferences, 21, 42, 100, 180, 224  
*International Labour Review*, 225n  
 International Labour Office, 82, 162, 267, 343  
     Contribution of—to labour statistics, 1, 2, 20  
     Impetus to Trade Unionism, 70  
     India and—, Ch. VII, 99, 126  
     Influence of—on Indian Labour Legislation, 112-114; on Indian Labour Conferences, 123-125  
     —and Maternity Benefits, 180  
     —and Workmen's Compensation, 198-200  
     Permanent Agricultural Committee of—, 391  
     Italian Congress of Industrial Medicines, 202  
 JACK, D. C., 303, 304  
 JAGJIVAN RAM, HON'BLE MR., 297  
*Journal of Industrial Hygiene and Toxicology*, 349  
*Journal of Scientific and Industrial Research*, 41  
 Kisan Sabha, 384  
 KUMARAPPA, J. C., 177, 184n, 188  
 KUMARAPPA, J. M., 127  
*Labour Bulletin*, 16  
 Labour Discipline in Indian Factories, Ch. XVII, 307-322  
*Labour Gazette*, 4, 16  
 Labour Investigation Committee, 4, 18, 20, 25, 26-27, 28, 30 ff. 42, 142, 149, 150, 151, 152n, 155, 231, 240, 241, 242, 247, 254, 259-63, 263-5, Report on Bidi, Cigar and Cigarette Industries, 146, 149, 157; On Glass Industry, 157, 168n, 169; On Mica Mining, 148; On Rice Mills, 170, 171n; On Shellac Industry, 171.  
 Labour Legislation in Post-war India, Ch. XII, 206-223  
 LAM, MITHAN JAMSHED, 176

- Leadership in a Free Society*, 371.
- Living Wage, The*, 46n.
- LOKANATHAN, P.S., 332n.
- MASANI, K.R., 353
- Massachusetts Institution of Technical Training, 329.
- Maternity Benefits in India, Ch. X, 176-188, 218, 226.
- Mental Hygiene in Business and Industry, Ch. XXI, 353-360.
- Migration, Statistics of —, 15-16
- Minimum Wage, 65, 66, 68.
- Bills, 39-41, 175, 213-4
- and Rural Labour, 394
- Mines, Child Labour in —, 147-8.
- Monthly Labour Review*, 28n.
- Morals of Labour, 135-6
- MUKERJI, R.K., 38, 46, 47, 343.
- NAGABHUSHANAM, K., 70
- NANDA, GULZARILAL, 267
- NARASIMHAN, P.S., 139
- NARASIMHAMURTY, V. 70.
- N. SWARUP, 282
- National Service Labour Tribunals, 288, 289
- National Service (Technical Personnel Ordinance, 288, 289; Statistics collected under —, 14-15
- Occupational Diseases, 19
- CWEN, ROBERT, 99
- PANT, M. C., 243
- PARDASANI, N.S., 80
- PARAS RAM, 360
- Payment of Wages Act, 22, 168; Statistics collected under —, 26-8, 48.
- Philadelphia Charter, 125-126.
- PILLAI, P.P., 99.
- "POVERTY KNOCKER", 57.
- Problem of Morale of Mill Labourers, Ch. XXII, 361-381.
- Problems of Rural Labour, Ch. XXIII, 382-401.
- Problems of Workmen's Compensation Administration*, 202n
- Punjab Board of Economic Enquiry, 4.
- QURESHI, ANWAR IQBAL, 343.
- RAM E.J.S., 266.
- RAMKRISHNA, K.C., 382
- RAO, M. V. SESHGIRI, 48
- RAO, R., 204, 205, 225, 226, 229, 241.
- REGG, D. V., 231-2.
- Regulation of Wages*, 43n, 44n.
- Report of the Central Advisory Board of Education in Post war Educational Development in India* 174
- Report on the Protection of Children and Young Workers (I.L.O.)*, 175.
- Royal Commission on Labour, 1, 45, 26, 46, 141, 191, 224, 234, 383, 385-6
- Sadler Commission, 325
- SALOWAY, R. H., 302, 304.
- SARABHAI, AMRIT LAL, 287.
- SASTRY, N. S. R., 1.
- SAWKINS, 46
- Shops Act, 167.

- S. LAL, 290, 291-2.
- Social Insurance in India,  
Ch. XIII, 224-242.
- Social Security, 221. . .
- Social Security for Industrial Workers in India*, 225n.
- Statistics, Labour—in India,  
Ch. I, 1-12
- Tata School of Social Sciences, 4.
- Technical Training in India and its Future, Ch. XVIII 323-332
- Technique of Labour Investigation, Ch. XIV, 243-265
- Textile Labour Association of Ahmedabad, 267.
- THORNTON, 341
- Trade Unions  
Concentration of Members of—, 76-79.  
General Progress of—, 71-2  
Progress of—in different industries, 72-3; and in different Provinces 73-75.  
Sixteen Years of Indian—, Ch. V, 70-79
- Unemployment Provision Convention 234, 285.
- Unemployment, Statistics of—, 19-20
- Unregulated Factories Statistics re— 23-25—and Child Labour, 148-152.
- U. S. Bureau of Labour Statistics, 28
- Village Labour Force in City Ch. VIII, 127-138
- Vital Statistics, 18-19.
- Wages, Also see Minimum Wage  
Disparities of—, 211-214,  
Regulation of the Industrial—, Ch IV, 57-69  
Statistics of— 17-18, 26.  
—Differentials in India, Ch III, 48-56.  
—in Cement Industry, 35.  
—in Coir-matting Industry, 35.  
—in Gold Mines, 35-36  
—in Mica and Manganese Mining, 37-38  
—in Paper-mills, 34-5  
—in Silk Industry, 31-2.  
—Level in India, Ch. II, 26-47.  
—of Child Labour, 152-153.  
—of Rural Labour, 392-4











